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Algeria ... 6.00 Din. Israel ... N.S. 3.50 Oman ... 1.000 Rials
Austria ... 25 S. Italy ... 2.000 Lire Portugal ... 170 Esc.
Bahrain ... 0.800 Din Jordan ... 1 JD Qatar ... 8.00 Rials
Belgium ... 50 B Fr. Kenya ... Shs. 45 Rep. of Ireland 80 P
Cyprus ... C.£ 1.00 Kuwait ... 500 Fils Saudi Arabia 7.00 R.
Denmark 12.00 D.Kr. Lebanon ... U.S.$1.10 Spain ... 155 Ptas.
Egypt ... E.P 3.250 Libya ... 1 Din. 0.60 Sweden ... 10.00 S.Kr.
Finland ... 9.00 F.M Luxembourg 50 L.Fr. Switzerland 2.50 S.Fr.
France ... 8.00 F Madeira ... 175 Esc. Tunisia ... 1.000 Din
Germany ... 2.80 D.M Morocco ... 10.00 Dh Turkey T.L. 3,200.00
Great Britain ... £0.70 Netherlands 3.00 Fl. U.A.E. ... 8.00 Dirh
Greece ... 170 Dr Norway ... 10.00 N.Kr. U.S. Mil. (Eur.) $0.55 DL
Iran ... 115 Rials Nigeria ... 10.00 Naira Yugoslavia ... 20 ND.

A Good Friday Procession and a Standoff in Jerusalem

Max Nash/The Associated Press

Christians carrying crosses in a Good Friday procession in Jerusalem. As thousands thronged the Via Dolorosa, Jewish settlers backed by a court order continued their occupation of a building complex in the Christian quarter of the Old City. Page 2.

Soviets Admit Katyn Massacre

'A Grave Crime of Stalinism'

By David Remnick
Washington Post Service

MOSCOW — The Soviet Union admitted with "profound regret" on Friday that Stalin's secret police murdered nearly 15,000 Polish officers in the Katyn Forest in 1940.

After decades of insisting that Nazi soldiers had killed the Polish officers, the Kremlin issued a statement that the government "declares that this tragedy is one of the gravest crimes of Stalinism."

Like its recent apology for the invasion of Czechoslovakia in 1968, Moscow's admission of guilt on Friday was a dramatic and long-awaited step in President Mikhail S. Gorbachev's declared intention to fill in the "blank spots" of Soviet history and to heal the long-standing resentments of the countries of Eastern Europe.

The Polish president, Wojciech Jaruzelski, who met Friday with Mr. Gorbachev, is scheduled to visit Katyn, near the Russian city of Smolensk, on Saturday.

"The graves of the Polish officers are next to the graves of Soviet people who were brought there by the same evil hand," Mr. Gorbachev said during a luncheon with General Jaruzelski. "To speak about this is not easy, but it is necessary, because it is only through truth that we find the road to genuine renewal and genuine mutual understanding."

Mr. Gorbachev gave General Jaruzelski two boxes of documents found in the archives of the Soviet secret police that list the names of the dead officers and prove Stalin guilty of the massacre.

The murders at Katyn have haunted Polish-Soviet relations for half a century. For many Poles, the massacre was the most brutal embodiment of the Soviet Union's imperial ambitions in their country and of Stalin's attempt to annihilate the Polish elite.

Mr. Gorbachev said that the Katyn issue had been a "historical knot" in Soviet-Polish relations and that lingering Polish resentment about it was "no secret" to the Soviet Union.

The Soviet leader clearly preferred to make the apology to General Jaruzelski, a Communist ally, in Moscow rather than to a Solidarity leader such as Lech Walesa or Prime Minister Tadeusz Mazowiecki. Especially for Soviet conservatives, who have bemoaned the "loss of Eastern Europe" in 1989, the admission of guilt at Katyn undermined the legitimacy of the Soviet Union's dominance of Poland in the postwar era.

According to the government statement, Soviet archivists and historians had "just recently" discovered documents in the files of the secret police showing that 394 of the 15,000 Polish officers kept in three prison camps were consolidated in one camp, while the rest were turned over to the NKVD, the forerunner of the KGB, near Katyn in the Smolensk region.

"The discovered archival material puts direct responsibility for the atrocities in the Katyn Forest" on Stalin's notorious secret police chief, Lavrenty Beria, as well as his deputy, Vsevolod Merkulov, and other "henchmen," according to the statement.

Mr. Beria and Mr. Merkulov were executed in Moscow after Stalin's death in March 1953.

The attempt to make this admission appear as if it came at the end of a long scholarly quest rather than as the result of a political decision is reminiscent of another recent Soviet archival "discovery." After decades of denials, the Soviet Union acknowledged that it had signed a series of protocols with Nazi Germany in 1939 that led to the annexation of the Baltic states and eastern Poland the next year.

Moscow long maintained that the Germans had killed the Polish officers at Katyn in 1941. But historians outside the Soviet Union, and even some independent scholars in the Soviet Union, say that the murders took place in the spring of 1940, a year before the Nazis occupied the Smolensk region.

When a Polish military leader asked Stalin in 1941 what became of the thousands of officers, Stalin said: "They fled. To Manchuria."

Poles demand that the Soviet Union try persons responsible for the Katyn massacre. Page 5.

Czarek Sokolowski/The Associated Press

A woman placing a rose on the Katyn monument in Warsaw.

Lithuania Warned of Blockade

Gorbachev Gives Republic 2 Days To Annul Plans

By Michael Dobbs
Washington Post Service

MOSCOW — President Mikhail S. Gorbachev threatened on Friday to impose an economic blockade on Lithuania unless the Baltic republic annuls within two days legislation designed to bolster its declaration of independence.

Mr. Gorbachev's ultimatum, which was contained in a letter to the Lithuanian leadership, was the toughest action taken by the Kremlin in a monthlong war of nerves with Lithuania.

Lithuania depends on the Soviet Union for virtually all of its energy supplies, as well as for most other raw materials.

In a telephone interview from Vilnius, the Lithuanian president, Vytautas Landsbergis, rejected Mr. Gorbachev's latest demands.

"The Kremlin is asking us to do the impossible," he said. "It's like asking someone to cut off their head. You can't compromise with that kind of demand."

He added: "Our economy may collapse, and we may revert back to a kind of natural economy. There are already long lines for gas in Vilnius. Soon people will simply get used to the fact that there isn't any gas."

According to the Soviet press agency Tass, Mr. Gorbachev accused the Lithuanian government and parliament of adopting legislative acts and decisions that "set Lithuania in opposition to other republics and the Soviet Union as a whole."

Tass said discussions with Lithuania had reached a "political dead end."

The Kremlin letter, which was also signed by Prime Minister Nikolai I. Ryzkhov, said that unless Lithuania backed down, instructions would be given to stop supplies of products that the Soviet Union can sell in world markets for freely convertible Western currencies.

Such items would certainly include gas, oil and machinery, all of which are vital to the survival of the Lithuanian economy.

The statement stopped short of demanding the full retraction of Lithuania's independence proclamation of March 11.

Instead, it called for the rescinding of a series of related legislative acts, including the issuing of Lithuanian identity cards and a refusal to cooperate with the Soviet Army's conscription campaign.

"Such actions, the list of which continues, can no longer be tolerated," the letter said. "They aim to undermine political and socio-economic stability in the country, damage democratic processes, and seriously infringe on Soviet citizens' rights."

The ultimatum offered the Lithuanian leadership the stark choice of backing down or witnessing the gradual throttling of the Lithuanian economy.

The Soviet government has already in effect sealed off the republic from Western countries, controlling imports and exports through the Baltic port of Klaipeda

See BALTS, Page 5

The Iraqi 'Gun': Some Parts Were Sent

Compiled by Our Staff From Dispatches

LONDON — Iraq has already received 44 castings identical to eight sections seized as suspected parts of a gigantic gun, the maker said Friday.

"I am sure that most people will recognize the absurdity of suggestions being made that these pipes are in fact guns," said Tony Peck, spokesman for Sheffield Forgemasters.

He said the eight sections were random parts of a 26-section assembly that would be 156 meters (515 feet) long.

The British Customs and Excise service blocked the shipment, saying the castings could be used to make a 40-meter-long gun barrel, which would be the longest ever made. Military experts say that such a gun could be used to fire chemical weapons, or nuclear warheads, at Iran or at Israel.

The chief customs investigator, Douglas Tweddle, said the castings could be used "as the barrel of a large artillery gun to fire a projectile of some considerable size."

He reached his conclusion after advice from an expert from the Royal Armament Research and Development Establishment.

Other military experts listed the technical difficulties in building and firing such a weapon.

The cylinders would have to be tough enough to withstand the huge ballistic pressures needed to fire shells. The length of the barrel would have to be supported, and the accuracy of the missiles was questionable.

Iraqi officials have said the castings, formally seized by Customs officers on Thursday, are intended for use in a petrochemical plant.

The company said that it had two contracts for 26 sections each, and that it had delivered 44 sections to the Ministry of Industry and Minerals in Baghdad.

"All consignments to date have

See IRAQ, Page 5

Soviet Military Is Trying to Reassert Itself, Rand Report Says

Influence of Armed Forces Appears to Be Growing

By Michael R. Gordon
New York Times Service

WASHINGTON — The Soviet military, unhappy over President Mikhail S. Gorbachev's policy changes and its diminished status, is trying to reassert itself in Moscow, according to specialists from the Rand Corp.

The specialists said in recent weeks the influence of the military appears to have grown because Mr. Gorbachev needs the armed forces to help deal with ethnic disputes, particularly the crisis in Lithuania, the republic that is seeking to reassert its independence from the Soviet Union.

The increase in the military's influence may account for the toughened stance Soviet officials took in Washington last week on some arms-control issues, including what limits should be placed on the deployment of cruise missiles, said Arnold L. Horelick, an expert at Rand, a government-financed research center.

Mr. Horelick, a former U.S. intelligence analyst for Soviet affairs, said the growing military influence may portend a less accommodating position in talks over German reunification.

The assessments by the experts came as Rand issued a report on the Soviet military under Mr. Gorbachev that was based in part on interviews with Soviet military officials and a study of the Soviet press.

Access to Soviet officials has been possible in recent years as a result of Mr. Gorbachev's policy of *glasnost*, or openness.

The Rand experts disagreed on whether the resurgence of military influence was temporary.

As Rand issued the report, a senior Pentagon

See SOVIET, Page 5

Kremlin Considers Accelerated Economic Change

Washington Post Service

MOSCOW — President Mikhail S. Gorbachev and his advisers are scheduled Saturday to consider a radical plan to accelerate economic change in the Soviet Union.

One element of the plan would denationalize large chunks of state-run industry by turning it over to joint stock companies and semi-private cooperatives.

Also under consideration is the possibility of deregulating 70 percent of prices and denationalizing 70 percent of the Soviet state sector. At present, at least 90 percent of economic activity in the Soviet Union is controlled by the state.

The head of a parliamentary commission said the proposals were likely to lead to a doubling of prices over the next year.

Price changes are the most controversial element in proposals to introduce a market economy in place of the grossly inefficient system of central planning introduced by Stalin in the late 1920s.

The government's economic plans will be discussed by Mr. Gorbachev's advisory council on Saturday. The council has been expanded to include representatives of all 15 Soviet republics. They are due to be presented to the Supreme Soviet, or standing legislature, before the end of the month.

"Prices are expected to go up twofold on average on the range of goods across the country," said Pavel Bunich, who heads the Supreme Soviet's Commission on Economic Reform. "This is a very rough estimate and there have been no precise calculations."

Mr. Bunich said that retail prices for the consumer would probably not rise until January and

See ECONOMY, Page 5

Kiosk

Creditors Veto Eastern's Plan

NEW YORK (Reuters) — Creditors of Texas Air Corp.'s Eastern Airlines said Friday that they had rejected the carrier's latest bankruptcy reorganization proposal. The plan, which was put forward by Eastern on Thursday, would pay creditors only a fraction of what they are owed.

A lawyer for Eastern also said that the carrier would need additional cash from its escrow funds by Tuesday. Eastern has been attempting to reorganize since it entered Chapter 11 bankruptcy protection proceedings more than a year ago.

AFP

A year after 95 people died at England's Hillsborough Stadium, the healing is still painful and slow. Page 14.

General News

Pretoria has done little to ease blacks in Natal from the brink of civil war. Page 2.

The dissident Chai Ling said she escaped thanks to ordinary Chinese citizens. Page 2.

Many U.S. residents have not received a census form or have chosen not to reply. Page 3.

Business/Finance

U.S. producer prices fell in March, but there were signs on inflation pressures. Page 11.

BTR said 64 percent of its takeover target, Norton Co., was tendered to it. Page 11.

Crossword Page 13.
Weather Page 2.

Opposition Will Lead In Nepal

By Sanjoy Hazarika
New York Times Service

KATMANDU, Nepal — King Birendra agreed Friday to allow the opposition to lead a new government, the principal opposition leader said after talks with the monarch.

At a 65-minute meeting with Ganesh Man Singh, a leader of the Nepali Congress Party, which successfully led the pro-democracy movement here, the king initiated a series of steps that are likely to establish the country's first multiparty government in 30 years.

The government would include members of various Communist factions that cooperated with the Nepali Congress in the movement for multiparty democracy.

The moves by King Birendra to break a five-day political stalemate over the formation of a new government took place on the eve of Nepal's new year. The king is scheduled to make a nationwide broadcast over radio and television on Saturday.

The meeting, at the royal palace, was also attended by Prime Minister Lokendra Bahadur Chand, whose resignation is being sought by Mr. Singh. It took place less than two days after the opposition

See NEPAL, Page 2

For Bush, Diplomacy Takes the Personal Touch

Greg Gibson/The Associated Press

Mr. Bush meeting Friday in Bermuda with Mrs. Thatcher. The two leaders discussed the rapid changes in Eastern Europe.

By David Hoffman and Don Oberdorfer
Washington Post Service

WASHINGTON — When President George Bush saw the Brazilian president-elect, Fernando Collor de Mello, in the Oval Office on Jan. 26, he asked him to take a private message to President Mikhail S. Gorbachev on a forthcoming visit to the Kremlin.

Four weeks later, Mr. Bush telephoned Mr. Gorbachev directly, only the third time in history that a U.S. president got the Soviet leader on the telephone.

One of the first things Mr. Bush asked, a source said, was, "Did you get my message?"

This informal communication illustrates what has become an important new facet of international diplomacy — intense, personal interaction among world leaders, often relying on the telephone, the jet plane and even the telefax machine to shrink the oceans and continents that divide them.

The trend has been especially encouraged by the chosen techniques of Mr. Bush and Secretary of State James A. Baker 3d, who share a penchant for personal diplomacy. They like to bypass ambassadors, experts and bureaucrats,

See BUSH, Page 5

'It's Time For Talks,' Bush Says

By Andrew Rosenthal
New York Times Service

HAMILTON, Bermuda — Speaking with unusual force about the Lithuanian crisis, President George Bush and Prime Minister Margaret Thatcher of Britain said Friday that reports of a Kremlin ultimatum to the Baltic republic were "deeply disturbing."

Mr. Bush said imposition of economic sanctions against Lithuania would violate Moscow's stated policy of seeking to resolve the stalemate over Lithuania's bid for independence without force.

"Now is no time for escalation; it's time for talks," Mr. Bush said, speaking for himself and for Mrs. Thatcher at the outset of a joint news conference here.

Mrs. Thatcher added: "We've come a long way in relations between the Soviet Union and the free world. We wish that improvement to continue, but it could not continue if the Soviet Union were to resolve this by force."

Neither Mr. Bush nor Mrs. Thatcher would say what they would, or could, do if President Mikhail S. Gorbachev carried out a threat to suspend shipments of raw supplies, possibly including oil and natural gas, to Lithuania in two days. The two leaders also tried to

See TALKS, Page 5

The Fighting Goes On in Natal Despite Pretoria's Promises

By Christopher S. Wren
New York Times Service

PIETERMARITZBURG, South Africa — Despite President Frederik W. de Klerk's recent promises of action, the South African government has yet to show significant progress in stopping factional fighting that has pushed blacks in Natal province to the brink of civil war.

On April 2, Mr. de Klerk told Parliament that he was sending in the army "on a reasonably broad front in reasonably large numbers" to help the police end the violence that has claimed as many as 3,000 lives since it began in 1985.

This week, at least 24 people have been killed and dozens wounded.

Last week, 55 died. More than 12,000 refugees have moved into emergency shelters around Pietermaritzburg, and the total number of displaced people is said to be approaching 20,000.

Monitors of unrest in the black townships around this city in the middle of Natal say the first army units showed up nearly four days after Mr. de Klerk's speech.

Except for occasional shows of force, the soldiers are not conspicuous in towns hit hardest by the unrest — Edendale, Imbali, Mpumalanga and others — even though the fighting has virtually stopped where the troops are visible.

The fighting in Natal pits supporters of *the United Democratic Front, a coalition* of anti-apartheid groups allied to the African National Congress, against members of Inkatha, a conservative Zulu political and cultural organization.

The violence has been described as a battle of rival black ideologies. But combatants on both sides appear to be motivated more by the desire to control territory or avenge killings of family and friends.

The townships involved were afflicted with poverty, unemployment, illiteracy and lack of basic municipal services before they deteriorated into killing grounds.

Commandant Chris Bleekers, a spokesman for the South African Defense Force, said about 2,000 troops had been deployed in areas of unrest across Natal, in what he described as "cooperation" with the South African police.

"They're fairly visible but we have a command problem in that the army does not operate independently," said Pierre Crouje, a Democratic member of Parliament from Natal. "They operate under the control of the police."

The African National Congress and other anti-apartheid organizations have muted their longstanding demand that all army troops be withdrawn from black townships.

The deployment is now welcomed in many black communities because the soldiers are widely perceived as less partial than the police, who fought the United Democratic Front as a subversive organization until Feb. 2, when Mr. de Klerk lifted bans against it.

Radley Keys, who heads a violence monitoring program, said there were numerous complaints that the police did not know the townships, behaved in a high-handed manner and abetted Inkatha in the fighting.

Student's Odyssey: Escape From China

By Alan Riding
New York Times Service

PARIS — A prominent leader of the Chinese student pro-democracy movement that was crushed in June said here Friday that she had been able to avoid arrest for 10 months thanks to the help, protection and encouragement of ordinary Chinese citizens.

Chai Ling, 23, a psychology student who played a central role in the movement, and her husband, Feng Congde, 24, who is also on the Beijing government's "most wanted" list, said they were finally able to slip out of China two weeks ago.

In their first interview since arriving in France, where they have requested political asylum, the couple called on the West to adopt tougher sanctions against China. They said it was also important to keep the Chinese people informed of events abroad.

Miss Chai said the Goddess of Democracy, *a ship that will soon be* used for broadcasting news into China from international waters, would bring great encouragement. The ship set sail from the French port of La Rochelle on March 17 with several Chinese dissidents on board.

Earlier this week, Beijing was reaffirmed when it asked France to outlaw A Boat for Democracy, the foundation financing the broadcast trip. Since then, China also formally protested the French decision to allow Miss Chai and her husband to go to this country. The couple's request for asylum is under consideration.

Miss Chai said that she went into hiding immediately after the Tiananmen Square movement was crushed, staying first in Beijing and then moving to places she refused to identify. "All this time, I had the support of lots of people," she went on, "people who had their own problems of family and work to worry about, but who helped and protected us with their own resources."

She said that secret organizations sprang up after June to help the dissidents, and that those who had her always knew her identity and assumed the risks. She added that these people helped her and Mr. Feng to leave the country. She could not disclose their method of escape or the country or countries through which they initially fled.

Speaking in Chinese through a French interpreter, Miss Chai said her worst moment came when she thought her husband had been captured. "My friends said I had to move places, but I felt very bad," she said. "I thought I would never see him again. If at that moment someone from security had found me, I would not have had the strength to react. I saw the limit of my will."

After one week, she learned Mr. Feng was safe, but she did not see him again for four months. She said that occasionally other fugitive students and dissidents accompanied her. "But most of the time," she said, "I was hidden alone and I had lots of time to reflect on what happened in Tiananmen Square."

"Today my feeling is that I am not 100 percent satisfied with what we did," she said. "We did not go far enough, take our actions far enough. For example, we were not in contact with people abroad and had little understanding of the impact we had. But I think that, after 40 years of repression, this was the most pacific and reasonable revolt imaginable."

The young student leader is believed to have been in charge of protests in Tiananmen Square during the final days of the movement, but she was unable to cast much light on the continuing debate over how many people died when the army tanks and troops moved in shortly before dawn on June 4.

"I was in the center of the square, but all around I heard shots being fired and ambulance sirens," she said in response to a questioner who noted the official Chinese assertion that no one died in the square itself. "We sent out observers and some came back with bloodstains on their clothes."

Mr. Feng said that, since all lights were switched off in the square, it was difficult to know what was happening. "Those who were in the square can only testify to what they saw around them," he said. "*I don't think even the army* or the Communist Party know how many people died."

Miss Chai said that she would continue the fight to "emancipate" China, but that first she needed *time. "I feel very disturbed,"* she said. "Every time I close my eyes, I see nightmarish scenes that prevent me from sleeping. I feel the souls of the dead are seeking my help. I need time to recover."

Alan Young Joon/The Associated Press

2,000 Strike in Seoul Over Naming of Network Chief

Workers at South Korea's state-run broadcasting network receiving copies of their union's newspaper Friday as more than 2,000 employees went on strike to protest the appointment of a former government spokesman, Suh Ki Won, as the network's president. Protesters said the government named Mr. Suh in order to regain control over the network. The police released on Friday 97 of 117 workers arrested Thursday at a sit-down protest at the KBS network's Seoul office.

Bogotá Official Says Drug Suspects Are Getting Property Back in Court

The Associated Press

BOGOTA — A senior Colombian official says that the government has been ordered to return millions of dollars worth of properties it seized from drug-trafficking suspects and that the return of the properties will be a grave blow to Colombia's anti-drug campaign.

The official said judges had already returned 33 of the 430 farms, houses and other properties worth at least $23 million that were confiscated under presidential decree, citing a court ruling that overturned the order.

"Some judges are already taking bribes from people who want their farms back," said the official. "Those judges who resist will almost certainly be killed. I think this may mean the war against traffickers is lost."

The official was commenting Thursday, the day after a car bomb near the cocaine trafficking center of Medellín killed at least 21 persons, including as many as eight members of an elite police anti-drug squad.

Traffickers have been killing Medellín policemen in retaliation for *Bogotá's anti-drug offensive.*

In Washington, President George Bush expressed solidarity on Thursday with President Virgilio Barco Vargas and condemned the drug traffickers.

*But opposition Colombian legis*lators have criticized Mr. Barco for failing to control a wave of terrorism by the traffickers. There have been more than 200 killings since August.

Mr. Barco's order in August to seize properties of suspected drug traffickers was a principal weapon in his fight against drugs. Under his decree, a court was to determine the final status of the properties.

To recover their possessions, owners were to present themselves before the court and prove that they had no ties to drug trafficking.

Late last year, however, the Colombian Supreme Court shifted the burden of proof to the administration, ruling that no property can be permanently seized unless the owner has been found guilty of a crime.

Many of the owners are charged with crimes but have not been convicted. Traffickers have often bribed or intimidated Colombian judges, leading Mr. Barco to order *the extradition to the United States* of those facing U.S. charges.

Since August, 15 people have been extradited, but authorities have not captured many of the major suspects, including Pablo Escobar, the Medellín gang's leader.

"Pablo Escobar has not yet been found guilty of any crime," the official said.

The police accuse Mr. Escobar's gunmen for the slayings of 20 police officers last week in Medellín. The authorities say the drug chiefs have offered to pay $4,300 for each police officer killed in Medellín.

CIA Creates a Planning Directorate To 'Stay Ahead' in Changing World

By George Lardner Jr.
Washington Post Service

WASHINGTON — The CIA, anxious to "stay ahead of the curve," has established a new directorate to identify "changing requirements for intelligence in a changing world" and figure out how to cope with them.

William H. Webster, the director of central intelligence, said that he *set up the directorate for planning* and coordination in September to "reach into all levels of the intelligence business" and "bring together those who identify the issues with those who are asked to collect the information."

Such strategic planning had been one of the jobs of the CIA's executive director, a position that was abolished.

Mr. Webster announced the change in a speech to the World Affairs Council of Boston. He emphasized that he established the directorate "before the major changes of the last six months" that have swept through Eastern Europe and the Soviet Union.

The CIA for years has had four directorates: intelligence, operations, science and technology, and administration.

The fifth is headed by Gary E. Foster, who was previously in charge of one of the administration directorate's offices. The planning directorate is smaller than the others, but a spokesman said, "It will certainly grow."

Mr. Webster made plain in his speech that it will have plenty of work. While U.S. policymakers are concentrating on events unfolding in the Soviet Union and Eastern Europe, where seven nations will *have held local or national* elections by mid-June. He said that intelligence issues such as weapons proliferation and global economics will grow in importance.

While Soviet intentions and capabilities will remain a major intelligence priority, he added, "nations around the world are building up their own arsenals. The proliferation of nuclear, chemical, and biological weapons poses serious dangers to regional stability and to the interests of the United States."

Mr. Webster said he thinks the CIA has "been well ahead of the curve in this respect" and has been able to help spot illegal shipments and "identify countries we believe possess chemical weapons programs."

He also said that the rapid integration and internationalization of financial markets means that political and economic developments in one area can have a world impact. At the same time, he said, "narcotics, *money laundering, terrorist ac*tivities, gray arms purchases, and technology and equipment needed for proliferation" are increasingly funded through those markets with speed and anonymity.

Rare Soviet Visit For Chinese Chief

The Associated Press

BEIJING — Prime Minister Li Peng is to visit the Soviet Union from April 23 to 26, becoming the first Chinese head of government to travel to Moscow since 1964, the Foreign Ministry said Friday.

The ministry, in a statement, said Mr. Li "will have an extensive and in-depth exchange of views with Soviet leaders on the bilateral relations and major international issues of common concern." Soviet officials said Mr. Li would meet twice with Mikhail S. Gorbachev in Moscow and would make a one-day trip to Kiev.

Mr. Li was invited to visit the Soviet Union in May, when Mr. Gorbachev made the first trip to Beijing by a Soviet leader in three decades.

Singh Bars Talks With Pakistanis On Kashmir

Compiled by Our Staff From Dispatches

SRINAGAR, India — Prime Minister Vishwanath Pratap Singh ruled out talks on Friday with Pakistan over *rising tensions* in the disputed region of Kashmir, accusing Islamabad of providing "arms, finance and drugs" to Muslim separatists guiding an uprising against Indian rule.

Pakistan, meanwhile, denied Indian reports that one Indian and up to eight Pakistani troops died in exchanges of fire on their northern border in Kashmir. A Indian security force commander was quoted by the Press Trust of India as saying the situation on the frontier Friday was normal.

Returning from a visit to the Sikh holy city of Amritsar, Mr. Singh repeated charges that Pakistan was fomenting the uprising in Kashmir as part of a plan to realize its claim to the region, the United News of India reported.

Mr. Singh ruled out any negotiations with Islamabad to reduce tensions, which have been sharpened by hostage slayings and the border shootout.

"What kind of dialogue can you have when they are using insurgency against us and freely supplying arms, finance and drugs to the terrorists?" he said.

Islamabad denies it is arming and training Kashmiri militants, although it has supported calls for self-determination for Kashmir and raised money for the cause.

In Amritsar, Mr. Singh told a rally that Pakistan was behind a recent bomb blast at a Hindu procession and an incident in which the head of a cow, sacred to Hindus, was thrown at a religious place in Kashmir.

Elsewhere in India, extremists suspected of being from the Bodo tribe bombed rail lines, a road and a major bridge and launched street attacks in the northeastern state of Assam, killing at least 25 people, authorities said.

In New Delhi, a bomb exploded in a city bus, killing at least three people and wounding 24. No one immediately took responsibility.
(UP, Reuters, AP)

NEPAL: Coalition to Rule

(Continued from page 1)

set out a list of eight demands, including the dissolution of the national parliament.

"The king was ready to accept our demands; he has basically accepted," Mr. Singh said.

The king has ordered Prime Minister Chand to begin formal negotiations with the opposition on Sunday and to conclude them as soon as possible, Mr. Singh said.

Mr. Singh and other Nepali Congress leaders said it could take as long as a week to form a government.

A statement by the Nepali Congress referred to the possibility that the king might himself head the Council of Ministers. But it said he had agreed with Mr. Singh that if he did not lead the government, an opposition figure could hold the post.

A senior government official said Friday night that the king was "flexible" in his response to demands for the dissolution of the national legislature, the Rashtriya Panchayat.

Katmandu has been governed for three decades by the Panchayat system, a several-tiered series of village, district, town and national councils. On April 8, King Birendra ended a ban on political parties that had been in force since 1961. The opposition is seeking the total disbandment of the Panchayat system.

Sahana Pradhan, the president of the six-faction United Left Front that is allied with the Nepali Congress, said the new government should be formed quickly. "People are getting restless," he said.

Many issues are still unresolved, such as the timing of general elections, the framing of a new constitution and the role of the king in the changed political circumstances.

Chirac's Daughter Is Hurt

Agence France-Presse

PARIS — The elder daughter of Jacques Chirac, the mayor of Paris, was in serious condition in a hospital Friday after jumping from her fourth floor apartment, firemen said. Laurence Chirac suffered fractures to her pelvis and head injuries when she plunged four floors to the ground from the window of her apartment in the south of Paris.

WORLD BRIEFS

Settlers Under Heavy Police Guard Continue Occupation in Jerusalem

JERUSALEM (Reuters) — Jewish settlers backed by a temporary court order continued on Good Friday their disputed occupation of a four-building complex in the Christian quarter of the Old City. The 150 settlers were guarded by dozens of police and paramilitary border guards.

Thousands of Christian pilgrims thronged the Via Dolorosa as settlers with walkie-talkies patrolled the complex along the pilgrimage route. *Former Defense Minister Ariel Sharon* visited the settlers for the third successive day on Friday to demonstrate support. The settlers, members of a radical nationalist religious movement, say that they purchased the complex. The partriarchy of the Greek Orthodox Church says it is church property.

The occupation of the 72-room complex near the Church of the Holy Sepulchre overshadowed a day holy to both Christians and Muslims and heightened Israeli-Palestinian tensions. On Thursday, Israeli policemen fired tear gas to disperse clergymen and stone-throwing Palestinian youths protesting the occupation of the complex.

A magistrate's court ruled late Thursday that it belonged to the Greek Orthodox Church, but a Panamian-registered company appealed to a higher court, which issued an order allowing the settlers to stay until the case is heard next week. The company, named by court officials as Establishment Incorporation CBC, said it had paid $3.5 million to two Armenians for a 10-year lease on behalf of the settlers. Some of the settlers said the money had come from U.S. Jews. The Greek Orthodox Church said the Armenians were tenants.

Colombian Says He Paid Off Noriega

TULSA, Oklahoma (AP) — A Colombian convicted of drug dealing testified Friday that he gave Manuel Antonio Noriega $4 million in cash for protection of a cocaine laboratory to be built in Panama.

The Colombian, Boris Olarte Morales, has been a key prosecution witness in the trial of a fellow Colombian, José Abello Silva, who is charged with conspiracy to import drugs into the United States. Mr. Olarte, 27, who pleaded guilty in May 1987 and has been cooperating with the government, said Friday that he was smuggling marijuana and cocaine in 1983 when he met General Noriega, then the Panamanian leader, and asked him about doing business.

He said General Noriega assured him that he could provide protection. Mr. Olarte said he delivered $4 million to General Noriega and received 10 percent of the money for setting up the operation. The bribe is cited in a 1988 Florida indictment accusing General Noriega of drug conspiracy.

Victim Kills N.Y. Subway Robber

NEW YORK (NYT) — One of four youths trying to rob a man at gunpoint on a subway train in Brooklyn was shot and killed on Thursday night when the robbery victim pulled out a pistol and fired several times at the youths, the police said.

The incident occurred just after the Manhattan-bound No.4 IRT train left Nevins Street station, the police said. Other passengers on the train who witnessed the shooting told the police that the man who fired the shot, who was in his late 40s or early 50s, got off at the next stop, Borough Hall, and fled.

Albert O'Leary, a spokesman for the Transit Authority police, said the group of youths, in their late teens or early 20s, also had a pistol and were trying to rob the man. "He apparently had a gun, pulled it out and fired several shots from the gun, striking one of the group," he said. The dead youth's three companions fled, he said.

Hungary Sees New Leadership in May

BUDAPEST (Reuters) — The Hungarian Democratic Forum announced Friday that it expected by mid-May to form Hungary's first non-Communist government in four decades.

The Forum vice president, Sandor Keresztes, said a national congress had authorized party leaders on Thursday to seek a conservative coalition with the Independent Smallholders' Party and the Christian Democratic People's Party.

The center-right Forum emerged victorious this month from free elections that foreshadowed the end of rule by the Socialist Party, founded in October to succeed the Communist Party.

U.S. Eases AIDS Immigration Policy

WASHINGTON (AP) — The Bush administration relaxed entry restrictions Friday on foreigners infected with the AIDS virus who want to attend certain conferences in the United States. The move was intended to defuse protests against U.S. immigration policy, which has prompted vows to boycott an upcoming international AIDS conference.

"The administration is committed to ensuring that persons seeking admission to the United States are treated with fairness and compassion," the Immigration and Naturalization Service said in announcing a new 10-day visa.

People applying for the visa will not have to reveal whether they are infected with the human immunodeficiency virus, which causes AIDS, but must meet all other entry requirements. The visa will be available only to those traveling to professional, business or scientific conferences deemed in the public interest.

For the Record

An Israeli gunboat fired on a rubber dinghy carrying three people off southern Lebanon overnight, sinking it. Security officials said Friday that the fate of the three, thought to be Palestinian guerrillas, had not been determined. *(AP)*

TRAVEL UPDATE

European Easter Travel Sets Records

LONDON (Reuters) — Europe's Easter vacation exodus hit record levels Friday, but without the big delays *some had feared due to* industrial action.

London's Heathrow airport expected to handle 140,000 passengers a day this weekend, the highest ever for Easter. The city's other main airport at Gatwick reported a 21-percent increase in traffic, but most flights were leaving on time.

The Greek Transport Ministry said rain had failed to deter a record exodus of more than two million from Athens. Air travelers were told to expect disruptions on services to France and Spain because of industrial strife, but delays were less severe than feared.

Warsaw's airport was evacuated on Friday and all flights suspended after a caller said he had planted a bomb in the departure hall. The caller, *claiming to represent the previously unknown Anarchist Fighting Squad,* phoned LOT airline and a newspaper. About 300 travelers were evacuated. It was not known if a bomb had been found. *(Reuters)*

A strike by French ground workers at airports timed to coincide with the Easter rush will not affect normal flight operations, airport officials said Friday. *(Reuters)*

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	14	57	4	39	c
Athens	21	70	11	52	s
Barcelona	17	63	10	50	s
Belgrade	17	63	4	39	s
Berlin	14	57	3	37	c
Brussels	15	59	6	43	c
Budapest	15	59	6	43	c
Copenhagen	8	46	4	39	r
Costa Del Sol	21	70	10	50	s
Dublin	8	46	3	37	sh
Edinburgh	9	48	3	37	sh
Faro	19	66	12	54	s
Florence	17	63	3	37	s
Frankfurt	11	52	7	45	c
Geneva	14	57	5	41	c
Helsinki	4	39	-2	28	sn
Las Palmas	23	73	17	63	s
Lisbon	15	59	12	54	r
London	8	46	5	41	r
Luxembourg	10	50	6	43	c
Madrid	17	63	5	41	s
Milan	16	61	5	41	c
Moscow	11	52	7	45	c
Munich	11	52	-1	30	c
Nice	18	64	9	48	s
Oslo	11	52	2	36	sh
Paris	13	55	6	43	sh
Prague	11	52	0	32	sn
Reykjavik	3	37	-1	30	sn
Rome	17	63	5	41	s
Stockholm	7	45	2	36	sn
Strasbourg	13	55	4	39	c
Venice	15	59	4	39	sh
Vienna	13	55	5	41	c
Warsaw	12	54	5	41	sh
Zurich	12	54	4	39	c
MIDDLE EAST					
Ankara	11	52	5	41	r
Cairo	28	82	16	61	s
Istanbul	14	57	8	46	r
Jerusalem	23	73	11	52	s
Tel Aviv	24	75	14	57	s
OCEANIA					
Auckland	—	—	—	—	no
Sydney	27	81	19	66	sh

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	35	95	27	81	s
Beijing	23	73	8	46	s
Hong Kong	21	70	18	64	sh
Manila	32	90	23	73	s
New Delhi	33	91	19	66	s
Seoul	17	63	7	45	s
Shanghai	17	63	9	48	s
Singapore	31	88	25	77	t
Taipei	28	82	19	66	s
Tokyo	19	66	14	57	r
AFRICA					
Algiers	—	—	—	—	no
Cape Town	26	79	9	48	s
Casablanca	18	64	12	54	s
Harare	28	82	15	59	s
Lagos	33	91	24	75	t
Nairobi	26	79	14	57	s
Tunis	19	66	8	46	c
LATIN AMERICA					
Buenos Aires	22	72	16	61	c
Lima	27	81	19	66	s
Mexico City	22	72	14	57	t
Rio de Janeiro	27	81	25	77	sh
NORTH AMERICA					
Anchorage	5	41	-1	30	c
Atlanta	19	66	10	50	s
Boston	17	63	5	41	s
Chicago	17	63	2	36	s
Denver	17	63	3	37	s
Detroit	16	61	5	41	s
Honolulu	28	82	23	73	sh
Houston	25	77	18	64	s
Los Angeles	21	70	15	59	s
Miami	28	82	23	73	t
Minneapolis	13	55	0	32	s
Montreal	15	59	2	36	s
Nassau	31	88	23	73	t
New York	20	68	9	48	s
Phoenix	34	93	20	68	s
San Francisco	—	—	—	—	no
Seattle	16	61	9	48	s
Toronto	16	61	3	37	s
Washington	19	66	8	46	s

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

SATURDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Rainy. Temps. 12—7 (54—45). LONDON: Rainy. Temps. 10—3 (50—38). MADRID: Fair. Temps. 18—5 (64—41). NEW YORK: Rainy. Temps. 12—9 (55—48). PARIS: Rainy. Temps. 13—4 (55—43). ROME: Rainy. Temps. 16—6 (61—43). TEL AVIV: Not Available. ZURICH: Rainy. Temps. 12—6 (54—43). BANGKOK: Fair. Temps. 37—28 (98—82). HONG KONG: Fair. Temps. 24—19 (75—66). MANILA: Fair. Temps. 37—25 (98—77). SEOUL: Cloudy. Temps. 14—6 (57—43). SINGAPORE: Cloudy. Temps. 30—25 (86—77). TOKYO: Rainy. Temps. 19—14 (66—57).

RELIGIOUS SERVICES

DÜSSELDORF
INTERNATIONAL BAPTIST CHURCH. English, s.s. 10:00, worship 11:05. Children's church and nursery. Meets at the International School, Leuchtenburger Kirchweg 2, D-Kaiserswerth. Friendly fellowship. All denominations welcome. Dr. W.J. Daley, Pastor, Tel.: 0211/400 157.

FRANKFURT
INTERNATIONAL BAPTIST FELLOWSHIP Frankfurt/Taunus, Sodenerstr. 11-18, 6380 Bad Homburg, Sunday evenings at 7:00. Call Pr. Terry Carter, (06121) 401241 or 23016.

HAMBURG
INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at Ev. Freikirchliche Gemeinde Christuskirche, Suttner Str. 18, Hamburg-Altona. Bible Study 1 p.m. + Worship 2 p.m. Tel.: 040/820616.

HOLLAND
TRINITY BAPTIST S.S. 9:30, Worship 10:30, nursery, warm fellowship. Meets at Bloemenplaan 54 in Wassenaar. Tel.: 01751-8024.

MUNICH
INTERNATIONAL BAPTIST CHURCH OF MUNICH, München 83, Schumacherring 24. English Language Services. Sunday School 2:00. Worship Service 1:00. Pastor's phone: 90 8534.

UNITARIAN UNIVERSALIST, Fellowship, 90-2036, Building 311-A-3, Perlacher Forst Housing Area. Meets fourth Sunday each month at 11 a.m.

INTERNATIONAL COMMUNITY CHURCH, services in English 4:30 p.m. Sundays at Schubertstr. 10. (U2 Theresienstr.). Pastor Bonnie Stevens (089) 850-8617.

PARIS
THE AMERICAN CATHEDRAL (Episcopal-American). Sun. 9 & 11 a.m. Sunday School for children and nursery care at 11 a.m. 23 ave. George V, Paris 8. Tel.: 47 20 17 92. Metro: George V or Alma-Marceau.

HOPE INTERNATIONAL CHURCH (at La Chapelle Evangélique), CNIT conference center, Paris-La Défense. Evangelical & for everyone. Sunday 9:45 English service & children's SS; Sunday 11:00 French service & children's SS. AWANA Youth Club. Metro: RER (A) La Défense. Parking: Défense 4. Call Pastors Henry Paasonen, Jim Ritchey: 47 73 53 54 or 47 75 14 27.

AMERICAN CHURCH IN PARIS, Easter Services, 8:00 a.m. early service opposite the Church; Organ prelude 10:30 a.m.; Worship 11 a.m. including the "Hallelujah Chorus". 65 Quai d'Orsay, Paris 7. Bus 63 at door, Metros Alma-Marceau or Invalides.

ST. MICHAEL'S CHURCH (Anglican)
5 rue d'Agueseau 75008 Paris
Tel.: 47.42.70.88.
We invite you to our Easter services:
10:15 Holy Communion
11:45 Family Service
18:30 Holy Communion
A crèche is available for young children.
Alleluia! Christ is risen indeed!

UNITARIAN UNIVERSALISTS will host Reverend Robert Hill, "Aggressive Optimism: Faith and Tactic", Sunday April 22, 11:20 a.m., 1 rue de l'Oratoire, metro Louvre-Rivoli. RE for children. Info: Tel.: 42.78.82.58 or 43.54.47.96.

PARIS and SUBURBS
EMMANUEL BAPTIST CHURCH, 56 Rue des Bons-Raisins, Rueil-Malmaison. English speak., evangelical, all denominations. S.S. 9:45; Worship: 10:45. Other activities. Call Dr. David House, Pastor. 47.49.15.29/-47.51.29.63.

ZARAGOZA
INTERNATIONAL BAPTIST MISSION, English speaking S.S. 3:00 Worship 4:00. Roger Tur, 22 Rev. Howard Clark 536830.

ZURICH
INTERNATIONAL BAPTIST CHURCH of Wädenswil (Zurich), Switzerland, Rosenbergstrasse 4. Worship Services Sunday mornings 11:00. Tel.: 720-2762.

ASSOC. OF INT'L CHURCHES IN EUROPE & MID. EAST

BONN
American Protestant Church, Sunday School 9.30, Worship 11 a.m. Kennedy Allee 150. Tel.: 0228 - 374193.

BRUSSELS
The American Protestant Church, Worship 10:30 a.m. Kattenberg, 19 (at the Int. School). Tel.: 673.05.81. Bus 95. Tram 94.

FRANKFURT
TRINITY LUTHERAN CHURCH, Nibelungen Allee 54 (U-Bahn 5), S.S. 9:45, worship 11 a.m. Tel.: (069) 512552.

GENEVA
EV. LUTHERAN CHURCH of Geneva, temporary Sunday worship location at St. Germain Church, 9 rue Granges at 11:30 a.m. Church office phone (022) 20 50 89.

THE HAGUE
AMERICAN PROTESTANT CHURCH Sunday Service 9:15 and 11:15 a.m. Tel.: (070) 244490. Esther de Boer van Rijkdom 20.

LONDON
AMERICAN CHURCH in London at 79 Tottenham Court Road, London W1, SS at 9:45 a.m. & worship at 11 a.m. Goodge street tube; Tel.: (01) 580 2791.

OSLO
American Lutheran Church, Fritznersgt. 15 Worship & Sunday School 11 a.m. Tel.: (02) 44.35.84.

PARIS
AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

STAVANGER
INTERDENOMINATIONAL CHURCH Sunday worship 9.30 a.m. The Hetland Church, Storhaugvn. 2. Tel.: (04) 564843.

STOCKHOLM
IMMANUEL CHURCH, Kungsterag. & Birger Jarl. Friendly Christian fellowship. English, Swedish & Korean. 11:00. Tel.: 46-8 151225 & 309803.

UNITED CHRISTIAN CONGREGATION, Klara Östra Kyrkogata 8, service 9:00. Tel.: +46-8-210188.

VIENNA
VIENNA COMMUNITY CHURCH: A-1010 Vienna, Austria, Dorotheergasse 16. Services Sundays 11:30 a.m.

WARSAW
WARSAW INTERNATIONAL CHURCH, Protestant English language expatriates, Sundays 11:00 a.m. Ul. Piekna 14 A. Tel.: 43-29-70.

ZURICH
INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2625525.

DEATH NOTICE

Leon GRIEG
died, suddenly, on the Island of Elba, 21st March 1990.
He will be missed by his many friends.
June Hazel, Poggio, Elba.
Nora de Wal, Rocca di Papa (Rome).

AMERICAN TOPICS

Carolinas Rebuilding On the Beachfronts

North and South Carolina bore the brunt of a hurricane in September that was the worst to strike the U.S. eastern seaboard in 36 years. Now officials in both states are liberally interpreting beach-development laws and allowing widespread construction of oceanfront properties, The Washington Post reports. In South Carolina, 90 percent of the seaside structures damaged in the hurricane's $7 billion sweep are being rebuilt on the same lots.

"By most standards, that type of behavior would be classified as insanity," says Orrin H. Pilkey Jr., a geology professor at Duke University and an authority on beach erosion.

Experts say federal flood insurance has encouraged rebuilding in precarious locations. Congress may revise the program, a step that environmentalists say is overdue. Elise Jones, a coastal specialist at the National Wildlife Federation, said, "Would the federal government underwrite development on the rim of a volcano?"

Short Takes

MasterCard is making a play for Middle America and away from the affluent professionals depicted in the advertising of Visa. At present, MasterCard trails Visa, 87 million credit cards to 124 million. MasterCard's new advertisements depict such unglamorous activities as a young man using MasterCard to furnish his first apartment. The ads' slogan: "For the Way We Really Live." Experts are unconvinced. John L. Morton, a marketing consultant, says, "You don't ever want to say, 'We're the credit card for people who can't afford other credit cards.' "

After a neighbor took pictures of him kicking and beating his German shepherd dog, Kevin Deschene, 19, of Lowell, Massachusetts, was sentenced to six months in jail. Animal rights advocates said it was the first time in at least 20 years that anyone had been imprisoned in Massachusetts for abusing an animal.

Nevada was the fastest growing state from 1985 to 1989, jumping 18 percent to a population of 1,111,000, the U.S. Census Bureau reports, while Wyoming led the losers with a 6.8 percent drop to 475,000. Four other states grew more than 10 percent: Arizona, Florida, New Hampshire and California. Two other states, West Virginia and Iowa, had declines.

About 200 U.S. products are now being boycotted by activists pressing various causes, according to U.S. News & World Report magazine, and "their hit list reads like a Who's Who of American business." It includes Hormel's Spam (*labor strife*), Coca-Cola (ties to South Africa) and General Electric appliances (military contracts). Few boycotts dent profits, however, according to a U.S. Chamber of Commerce spokesman: "Boycotts create a public relations problem, not a sales problem."

Think About It: Dan Duva, the boxing promoter, when told that one of his fighters had lost a lot of blood in one bout, retorted, "He didn't lose any blood, he swallowed it." ● Tex Schramm, president of the new World League of American Football, on one problem he does not expect to face the first year: "I'm not worried about crowd noise."

A letter to The New York Times from Trudy Drucker of River Vale, New Jersey:

If Russell Baker intends to continue intriguing his granddaughter with words beginning with "eu" [IHT column March 23], then he might recount to her the following story:

A professor of Greek discovered a great tear in his favorite pair of trousers. He brought the garment to the local tailor, by happenstance Greek. The tailor examined the pants.

"Euripides?" asked the tailor.

"Yes," replied the professor. "Eumenides?"

Arthur Higbee

Wade Byrne/Agence France-Presse

HANDS ON A PIECE OF HISTORY — *Former President* **Ronald Reagan and his wife, Nancy, touching a piece of the Berlin Wall at its unveiling on the site of the Ronald Reagan Library, near Simi Valley, California, where it will remain.**

A Too-Common Reply to U.S. Census: 'Forget This'

By Felicity Barringer
New York Times Service

NEW YORK — From Los Angeles to Des Moines to Boston, one in four people questioned this week in an informal sampling around the United States said they either had not received a census form or had received one but found it too intrusive, too long and too complicated to fill out.

"It's been sitting on the kitchen table for a month," Pat Tiller, 41, a pharmacist, said as she stood outside the Atlanta Public Library. "I said: 'Forget this. It's too long.' "

Jeff Epstein, 48, the owner of a jewelry store in Boston, and one of those who has not mailed in his completed form, said, "I have to tell you that sending them out right before taxes are due was crazy."

"If I didn't get a form, how many minority families also didn't get one?" asked Amanda Thomas, 22, a research assistant who lives in a Hispanic neighborhood in Van Nuys, California.

"It makes me kind of nervous about the reliability of the whole thing," she said.

In Washington on Thursday, Census Bureau officials called a news conference to plead with people to return their forms. They said returns would be counted whenever the bureau received them, even if they came in after the nominal cutoff date of April 20.

The bureau's director, Barbara Everitt Bryant, said the bureau would begin a public relations offensive, including television, radio and print advertising, to cajole people into returning the forms.

The advertisements will stress the importance of the census as the basis for determining everything from political representation to the distribution of at least $50 billion annually in U.S. government grants to cities and states.

The bureau had planned its organization, staffing and budget on the assumption that 70 percent of the forms would be returned by mail this year. That projection was already down from the 78 percent return rate in 1980.

But as of Thursday, Ms. Bryant said, the mail return rate was only 57 percent.

The Census Bureau distributed 100 million forms this year. Six million have been designated for return not by mail, but by census takers who will pick them up.

Census officials say they do not know how many forms never reached the correct addresses.

But they, and independent monitors of the bureau, say they believe that the biggest problem is not forms lost in the mail but Americans who are simply not bothering to fill them in and return them.

Ms. Bryant speculated that the rise in the number of two-career families in the last decade had left people less time to respond to the form. She also speculated that an increase in the amount of junk mail may have made people hostile to unsolicited mail.

Richard P. Nathan, a professor of public affairs at the State University of New York at Albany who has spent years studying census procedures, attributed the low response rate to distrust of government.

"In periods when people are unhappy about government, you get less and less cooperation," Mr. Nathan said.

In the Netherlands, the census had to be abandoned 20 years ago because of widespread public refusal to participate. In West Germany in 1980, a grass-roots movement against the census forced officials to call off the count, which was not held until 1987.

In about 1,500 quick and informal interviews with The New York Times in 15 major cities around the country, many Americans voiced a general frustration with the census.

The Census Bureau is forbidden by law from disclosing individual census information to any other government agency, but public doubts persist.

At the Busy Bee, a coffee shop on North Avenue in Chicago, a young artist in his early 20s said: "I was scared of filling in my own name. I feel the government knows enough about me already."

Tuna Sellers Take Step to Aid Dolphins

By Philip Shabecoff
New York Times Service

NEW YORK — The nation's three largest U.S. sellers of canned tuna have announced that that will stop buying tuna that is caught in nets that also trap and kill dolphins.

The three — H.J. Heinz Co., owner of the Star-Kist brand; Van Camp Seafood Co., which markets Chicken of the Sea tuna, and Bumble Bee Seafoods Inc. — account for nearly 70 percent of the canned tuna sold in the United States.

Van Camp and Bumble Bee are owned by overseas corporations.

It was a major victory for environmentalists who have campaigned for years to end the killing of marine mammals.

Some 80,000 to 100,000 dolphins are killed each year by fishermen in the eastern Pacific who catch yellowfin tuna in large circular nets that close around schools of fish.

Fewer than 20,000 are killed by U.S. fishing boats.

Because dolphins and yellowfin tuna school together, fishermen use dolphin sightings to place the circular nets called purse seines to catch the fish, and the mammals are often caught in the same net.

Because they must breathe air, the dolphins drown if they are held too long under water.

A spokesman for Star-Kist said there were other ways fishermen can find tuna, including sonar or observing bird activity or dead fish on which dolphins have fed.

Early Detection Eases Bush Glaucoma Fears

By Lawrence K. Altman
New York Times Service

NEW YORK — Ophthalmologists say the early diagnosis of President George Bush's glaucoma, a disease that can lead to blindness, will probably preclude any serious deterioration in his vision.

Mr. Bush was found to have "an early glaucoma of his left eye" during a routine physical examination Thursday at Bethesda Naval Hospital. He will use drops twice a day to prevent any damage to his eyesight.

"Extensive visual testing revealed no loss of any aspect of his visual acuity," said Marlin Fitzwater, the White House spokesman.

Aside from the glaucoma, Mr. Bush was pronounced "in truly excellent health" by Dr. Burton Lee, the White House doctor.

Glaucoma occurs when drainage from part of the eye is blocked, causing increased pressure in the eyeball. Its cause is unknown, and if it is not treated, pressure inside the eye can damage the optic nerve, leading to blindness.

The disease occurs with increasing frequency in people over the age of 40 and affects 2 percent to 3 percent of people 65 and older. Mr. Bush is 65.

For the glaucoma, Mr. Bush "will receive Betagan eyedrops, one drop every 12 hours, and will continue the medication permanently," Mr. Fitzwater said in a statement.

Allergan Pharmaceuticals of Irvine, California, makes Betagan, its proprietary version of levobunolol hydrochloride. The drug decreases the production of the aqueous humor, the fluid produced behind the lens and flowing in front of it.

The humor is constantly produced and drained, bringing nourishment to the eye and taking away waste products. The constant ebb and flow keeps eye pressure stable. Glaucoma can result when the drainage is blocked, increasing the pressure in the eye.

Mr. Bush has also had a sty in his right eye for the last week, but it was nearly gone after treatments with soaks and antibiotics, Mr. Fitzwater said.

Mr. Bush emerged from the examination Thursday wearing sunglasses and called to reporters that he felt "like a spring colt."

"I haven't felt a thing, felt it at all," he said after he returned to the White House. "I'm taking drops now, one in the morning and one at night, but the vision is very good."

Without regular eye tests, glaucoma may cause some loss of peripheral vision before the affected individual notices that anything is wrong. Because the peripheral eye changes do not affect central vision, such an individual may still have perfect sight as measured by a standard eye chart.

Bush Getting Record Level Of Black Support, Poll Says

By Michael Oreskes
New York Times Service

WASHINGTON — After more than a generation of unswerving loyalty to the Democratic Party and its leaders, black Americans have given George Bush the highest level of sustained approval for any Republican president in 30 years, according to New York Times/CBS News Polls and a series of follow-up interviews.

Many blacks make it clear that their approval largely reflects a feeling of relief that Mr. Bush has given them no reason to oppose him. Blacks say they find the president a big improvement over his predecessor, Ronald Reagan.

"He's fair, compared to the last one we had," said Lawson Kilgore, a storeroom clerk in the Cincinnati area.

Mr. Kilgore was among the 56 percent of black Americans in the latest survey who said they approved of the job Mr. Bush was doing as president.

The survey is the fourth consecutive New York Times/CBS News Poll in the last six months in which a majority of blacks said they approved of Mr. Bush's handling of his job.

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Nebraskan Is Apple of Democrats' Eyes

By Paul Taylor
Washington Post Service

WASHINGTON — When Senator Robert Kerrey returns from the jungles of Southeast Asia next week, he will have completed one rite of passage and begun another.

Mr. Kerrey, 46, Democrat of Nebraska, is making his first trip back to the region since 1969, when his right foot was blown off by a grenade. The wound occurred after he led a seven-man Navy SEAL team up a 350-foot (100-meter) cliff in a raid on a Vietcong command post on an island in Nha Trang Bay.

Now, midway through a nine-day Senate-sponsored trip, Mr. Kerrey, a critic of both the Vietnam War and the Bush administration's policy in Southeast Asia, has visited the killing fields in Cambodia and had a testy exchange with a Khmer Rouge leader at a refugee camp in Thailand.

When he returns, he will make his first foray into the national press spotlight to discuss the trip. This is the man the United States is about to meet: a boyishly handsome Medal of Honor winner, the companion of a movie star, a self-made millionaire entrepreneur, a former governor, a freshman senator and a man whom a growing number of Democrats consider a fast-rising star.

"I know of a lot of bright young issue activists and political types who are ready to draft him to run for president," said a Democratic official. "What sets him apart is he has this lively, aggressive, straightforward candor."

In Mr. Kerrey's first 15 months in the Senate, he stood out by casting one of only nine votes against the 1989 savings and loan bailout, which he calls "money down a rat hole." He won praise in some quarters for an impassioned floor speech last summer against the constitutional amendment to outlaw desecration of the flag. He has got into the thick of farm policy as a freshman member of the Agriculture Committee.

But most of all, he has been quietly boning up on a subject about which he says he has "an intense interest."

"It is time for us to declare war on poverty again," Mr. Kerrey said in a speech to the Mississippi Jefferson-Jackson Day Dinner a week ago on the eve of his departure to Southeast Asia.

In a similar speech last fall in Boston, he extolled the successes and acknowledged the failures of the original War on Poverty. "In fighting poverty, there is really no such thing as victory," he said. "It is not like landing a man on the moon. There is no finish line."

"In America today," he said, "another baby is born into poverty every 40 seconds. Every 40 seconds. For example, now. And then again — every 40 seconds."

Mr. Kerrey punctuated the remainder of the Boston speech with the refrain: "And we must do it quickly, because yet another child is born in poverty, now."

Do what? For all of his urgency, he is the first to admit that he is not sure. His fervent belief in the obligation of the federal government to do something is matched only by his fervent skepticism about the ability of the government to do anything.

The uncertainty has not stood in the way of Mr. Kerrey's popularity. At a briefing on the problems of the Mississippi Delta, the dean of the Jackson State University Graduate School, Leslie McLemore, offered an unsolicited support for Mr. Kerrey if he ran for president. "He is a genuine hero, and we don't have enough men in public life who meet Kennedy's standard in Profiles in Courage," the educator said.

When Representative Mike Espy, Democrat of Mississippi, introduced Mr. Kerrey later that night to the Jefferson-Jackson Day Dinner, he closed with what he called a personal request: "All I want is an autographed picture of Debra Winger."

Mr. Kerrey and Ms. Winger started their relationship in the early 1980s, when he was governor of Nebraska.

"There is a word that describes Bob and it's overused but it applies — he has charisma," said his pollster, Harrison Hickman. "He is genuine and direct with people; he doesn't try to finesse things. People pick up on it instantly."

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In West Germany, a Farewell to Missiles

By Marc Fisher
Washington Post Service

WUSCHHEIM AIR STATION, West Germany — The soldiers call them coffins. Inside the sleek, white fiberglass boxes, the first batch of U.S. cruise missiles to leave West Germany have begun a journey to their final resting place.

As a C-5 cargo jet rumbled down the runway this week, about 100 Americans who braved a cold wind to watch the departure let out a cheer for the impending destruction of the low-flying, pilotless, jet-powered weapons — the U.S. nuclear missiles closest to what military people here still call the "potential enemy."

In diplomatic terms, the withdrawal of the missiles was a key step in compliance with the INF Treaty to eliminate U.S. and Soviet intermediate-range nuclear forces. In military speak, the "drawdown" had begun. To the troops of the 38th Tactical Missile Wing, life in the quiet farm country of West Germany's Hunsrück region was coming to a close.

And for thousands of West German protesters who spent years marching against the deployment of these missiles, the slogan "Nukes Out" was finally being realized.

By removing and destroying the first eight of 64 cruise missiles kept at Wüschheim, the U.S. Air Force is abiding by the INF Treaty, which was signed in 1987. The schedule of missile removal is secret, but the United States is committed to destroying all ground-launched cruise missiles by June 1991.

When the missiles are gone, the 38th Wing will cease to exist, according to its commander, Colonel Richard Myers. The air station, 120 kilometers (75 miles) west of Frankfurt, will be taken over by other U.S. military units that covet its modern amenities.

"This is the first step toward leaving," said Technical Sergeant Randy Case, 35. "Everyone's kind of looking forward to going home."

A few weeks ago, air force relocation specialists arrived to tell the 900 men and women of the 38th Wing where they will go after the missiles have been shipped off to Davis-Monthan Air Force Base in Arizona, where they are to be sliced in half and destroyed under the eyes of Soviet inspectors.

"Virtually everyone knows where they're going by now — except me," said Colonel Myers, the commanding officer. "Somebody's got to stay here to close the door and shut the lights."

The troops of the 38th Wing know more about their future than do most U.S. forces in West Germany, who await periodic announcements about which bases may close and which units may move as the U.S. presence in Europe begins to diminish. The reductions are a result both of the INF Treaty and of conventional arms cuts under negotiation in Vienna.

The air force was eager to get West German press coverage of the removal of the missiles. In the mid-1980s, the arrival of the missiles set off demonstrations by West German anti-nuclear organizations, with groups of 100,000 and more gathering near the Wüschheim base to protest the stationing of the missiles there.

But at the same time, air force officers were loath to discuss future cutbacks and their potential impact on the West German economy.

"Questions that are speculative in nature cannot be answered today," said Captain Eric Schnaible.

Many small towns near bases are heavily dependent on the business of U.S. troops and their families. In the village of Sohren near Wüschheim, the two video shops on the main street post all their signs in English and offer far more English-language films than do video shops in the largest West German cities. The air force estimates that its troops spend more than $7 million a year in nearby communities when they leave the base.

The remaining cruise missiles are still trained on their targets and ready to go, Colonel Myers said. The United States and the Soviet Union are gradually enforcing the treaty, which requires elimination of all ground-launched nuclear missiles with a range of from 500 to 5,500 kilometers (about 300 to 3,400 miles) — more than 2,600 missiles altogether.

Some officers spoke almost wistfully about the departing weapons.

Captain Schnaible said the ground-launched cruise missiles "have been a proud moment in time for the NATO alliance."

A West German officer, Major General Roland Oppermann, said that despite the demonstrations and the unpopularity of deploying nuclear weapons on West German soil, "this treaty could not have come about without the stationing of these cruise missiles."

The debate that divided West Germany five years ago and the thaw in superpower tensions symbolized by the INF Treaty were of little concern Wednesday to Captain Todd Brooks, a 28-year-old pilot who drew the task of flying the missiles on their last journey, halfway around the globe.

Captain Brooks has taken his C-5 into Samoa on a relief effort and flew to South Carolina in the aftermath of Hurricane Hugo last year to deliver emergency supplies.

"Always delighted to help," Captain Brooks said. "Always enjoy the opportunity to do something significant."

And off he went, taking 205,000 pounds (92,900 kilograms) worth of destructive power to Tucson to be split and crushed.

Le Duc Tho in Paris Hospital

Agence France-Presse

PARIS — Le Duc Tho, 78, a special adviser to North Vietnam's delegation to the Paris peace talks and who declined the 1973 Nobel Peace Prize, has been hospitalized in Paris in serious condition, officials said Friday.

OPINION

Herald INTERNATIONAL Tribune.
Published With The New York Times and The Washington Post

Bracing Before the Wind

It is wrong to assume that, because Chancellor Helmut Kohl is riding high in Germany, there is no longer any need to worry about the German commitment to the Atlantic alliance.

Mr. Kohl's triumph in the East German election in March improved his chances of winning the West German one in December; but the subsequent dispute over the Deutsche-mark exchange rate shows that the December election is by no means a certainty. The Kohl government sounds much firmer than the opposition Social Democrats about the need to keep a united Germany in NATO, but it will not necessarily stay that way. Germany's allies still have a powerful persuading job to do; they had better have their arguments ready.

The *neutralist wind will be strong* in Germany next year, whoever wins December's election. The Soviet Army will have *pulled out of Czechoslovakia and Hungary* by the middle of 1991. The reduced garrison that the Vienna negotiations may allow the Soviets to keep *in eastern Germany will* look increasingly peculiar, and therefore impermanent. The Germans will be feeling the heady exhilaration of unity.

On present evidence, this will produce two reactions from different kinds of German. On the neopacifist left, the argument will be that there is no longer anything Germany needs to be protected against, and so the Americans and the other NATO allies can take their soldiers home. On the neonationalist right, the presence of those soldiers will be seen as an affront to the *new Germany*. This will be a powerful combination. The Social Democrats can certainly bend to this wind. Despite his brave words, *it is not* inconceivable that Mr. Kohl might as well.

What arguments to put up against the wind? That Russia, of course, will *one day* again be a military problem for Europe — either a rebuilt, efficient Russia if perestroika succeeds, *or an angry, lumbering*, wounded Russia if perestroika collapses.

This may not be enough to convince Germans yearning to believe that the world has fundamentally changed. The same applies to *the fact that in the next few years Europe* could face new dangers on its southern flank, against which it will need to stand together — and will be glad of American help.

It is best for those who want to preserve the Atlantic alliance to speak out, calmly and politely. One part of the case for keeping NATO in being, and keeping some U.S. troops in Germany, is Germany itself.

In the past few weeks the awkward muttering that first greeted the prospect of German unity has given way to something clearer. Most of Germany's neighbors have made it plain that, though a united Germany is both right and inevitable, they are uneasy about the power this Germany will wield. The Germans know that, if the unease persists, it will be harder for Germany to pursue the policies it wants to pursue in both *Western and Eastern Europe. One* way of calming the unease is for Germany to stay inside an alliance that contains an *even bigger power than Germany itself. In* short, preserve America-in-Europe.

The sharpest part of the unease is felt by *Germans as well as non-Germans*. Powerful though it will be in all other ways, a united Germany starts life without nuclear weapons. The Soviet Union will still be a nuclear power. The Germans therefore wish to remain under the nuclear protection of the United States. But most people believe the plausibility of the American nuclear umbrella depends on the presence of American soldiers in Europe. If those soldiers go home, fewer people will believe in that umbrella. At some stage some Germans may therefore say that, in one way or another, they too must have access to nuclear arms.

The nuclear argument is a potential clincher. It touches the most sensitive nerve of all. It should appeal to many Germans — not least Social Democrats — as well as to all other Europeans.

INTERNATIONAL HERALD TRIBUNE.

Experiments in the East

Hungary has voted for a sharp right turn, away from the Soviet Union and all the institutions that tied it to the East for four decades. But it will be years before Hungary or any of its East European neighbors can hope to gain full access to the rich and stable European Community to the west. Eastern Europeans have reason to fear that their region could *again* become the no-man's-land that it was between the world wars, when small countries were isolated and helpless in the collisions between larger powers. *To protect themselves*, the governments now coming to office will have to learn to work closely together. Some promising *experiments seem to be taking shape*.

Czechoslovakia's president, Vaclav Havel, called a meeting this week with Hungary and Poland. Some of those who attended had been thinking hard about the Benelux model. A customs union among three small countries of northwestern Europe, set up in times of great hardship and uncertainty after World War II, it contributed mightily to their spectacularly rapid recovery. Why not an East European customs union?

Since last fall four neighbors — Hungary, Austria, Yugoslavia and Italy — have been meeting to discuss their common economic and environmental interests. They are very different countries, but they have more in common than their borders. Each, at least in part, once belonged to the Austro-Hungarian Empire. There is a wave of nostalgia for the old empire in some of the lands it once governed — a nostalgia that is often romantic or silly or worse. But the old empire did manage to rule with a certain rough competence over an extremely diverse mixture of nationalities and ethnic groups.

Among those same nationalities and ethnic groups, a disquieting revival of ethnic quarreling is now becoming visible again. If it gets out of hand, as these countries should know from their experience in the 1920s and 1930s, *it can quickly derange* their politics and destroy their new democracies.

The big winner in the final round of the *Hungarian voting last weekend was old-*fashioned Hungarian patriotism, with its strongly nationalistic and, in some respects, chauvinistic overtones. *It is going to take* strong and capable international institutions to mediate these perennial disputes and prevent them from again inflaming the region. These countries hardly need an empire; they have just escaped from one. But having lived together in a Central European supranational institution before, they are well equipped by history to build better ones to see them into the 21st century. That offers a way for the Hungarians and their neighbors, now governing themselves at last, to make national and ethnic pride safe for themselves and each other.

— THE WASHINGTON POST.

Too Stealthy by Half

Truth, it is often remarked, is the first casualty of war, but the U.S. Air Force has massacred the facts with unusual abandon *in the matter of the Panama invasion*. It let the defense secretary announce in December that two F-117A Stealth fighters had *bombed their targets with perfect accuracy*. But Michael Gordon of The New York Times recently photographed a bomb crater way off target, and Secretary *Dick Cheney* now wants the air force to explain its considerable economy with the truth.

Those untutored in military thought may wonder why aircraft designed to elude the formidable Soviet radar and air defenses were needed against Panama. *At first the* air force said that there were uncertainties about Panamanian air defenses. When it emerged that Panama had none, the air force said the F-117A was selected because pinpoint accuracy was essential.

Now that one of the two planes is admitted to have missed the target completely, the Defense Department's explanation is that the F-117A "was *fundamentally* chosen because of its night capabilities."

While the air force is making up its mind, it is hard not to infer a simpler *rationale*. The F-117A is a Stealth attack aircraft designed to drop conventional bombs. With the Cold War ebbing, a conventional bombing role has also been proposed for the B-2 Stealth nuclear bomber, which Congress seems eager to cancel or sharply curtail. *No doubt the air* force saw the Panama invasion as a chance to demonstrate Stealth's versatility to Congress.

But doubt remains *about* the F-117A's performance and mission. The air force says the two planes were meant to hit a field outside *the Rio Hato barracks*, stunning but not killing Panamanian troops inside. The colonel who led the *paratroop assault* on Rio Hato has said his plan called for the barracks to be bombed.

The air force *insists the mission* was a technical success: One bomb hit the field outside the barracks with pinpoint accuracy, *and the waywardness of the other* was the fault of the pilot, not the plane. Even if true, the air force has yet to explain how *vital information can get so badly* damaged as it travels up the chain of command. For the air force to misinform the defense secretary is carrying *devotion to* its Stealth planes too far.

— THE NEW YORK TIMES.

Other Comment

Wild Blue Madness

The *air force*, laird of the wild blue yonder, is making its fiefdom wilder by the minute. It develops that the stealth-technology F-117A fighter, *built secretly with funds from the* Pentagon's "black budget," cost $106.2 million apiece, five times the cost of the F-16. *And the air force now says that if* production of the B-2 stealth bomber is cut back as Congress prefers, the per-plane cost, now *$530 million, will soar to $2.6 billion*. Congress can do nothing about the F-117A, because Lockheed has already built 57 of the *59 planes, including three that crashed*. But Congress can kill the stealth bomber program, and it should. Stopping production *now would save $40 billion of the proposed* $76.7 billion cost of 132 planes. The diminishing Soviet threat and the B-2's backbreaking cost *justify dropping the program*.

— The Miami Herald.

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The Cost of Empire Has Russians Bridling

By Jeane Kirkpatrick

NEW YORK — The Soviet Union is not having a good year. The March economic report showed that total production for the month was about 1.6 percent less than the year before. Production of food, coal and electric power had declined. So had output of textiles, *footwear and oil-drilling equipment*.

As Soviet economists look for ways to economize, one obvious choice is trade relations with other members of the bloc.

Western economists have long understood that empires are a political luxury that almost no one can afford. But Lenin and his disciples always believed that empires enrich the imperial power by impoverishing its colonies. Now Soviet economists have begun to examine the high cost *to the Soviet Union of assisting* socialist countries on three continents.

An article in the March issue of a leading economic journal, Ekonomika i Zhizn, raises doubts about whether the "world socialist economic system" is worth the price.

The whole question of Soviet aid to its associated states is obscured by secrecy and complexity, the authors warn. Part of the "aid" consists of the Soviet habit of paying inflated prices for goods: seven to nine times more for Cuban sugar, swollen prices for Vietnamese cement. A second type of "aid" involves selling goods far below the market price, as Soviets sell oil to Cuba. A third form consists of providing services at virtually no cost, as when the Soviets commit 300 *ships to transporting* Cuban products, thus freeing Cuban ships for profitable engagements. A fourth form is the provision of credit on fantastic terms, such as allowing Mongolia 200 years to reimburse funds for a poultry farm.

An article in Argumenty i Fakty (March 17) asserts that nonequivalent conditions of trade with Cuba currently cost the *Soviet Union* $6 billion to $10 billion a year. The authors see no sign of lessening Cuban *dependence, noting* that "not one sector of the economy fulfilled the plan quotas in 1989" except for transport and sugar production, and that "the living standard of the population is declining."

Soviet economists note that their trade is disadvantageous not only with socialist countries in the Third World, but with Poland, Czechoslovakia and East Germany. Under current practices the Soviet Union subsidizes the reorientation of the economies of Eastern Europe *at a* time it can ill afford to do so.

The answer to Soviet economic problems may lie in reordering its political relations *as well as* adopting a market approach to trade with other countries. The solution, according to the authors cited above, is "to separate aid from commerce and trade from politics" and get fair prices for Soviet products. The fault is not with the debtors in the Soviet countries but with the bureaucracy that "sacrifices the interests of the country at home and abroad for the sake of high-sounding slogans."

Once the question "who profits?" *is raised, it catches on.*

Russians have begun to notice that as the Soviet Union is not getting a fair shake in the world socialist system, Russia is not getting a fair shake in the Soviet Union. Russia contributes a disproportionate share of fuel, energy, minerals, timberland and water resources to the Soviet Union, according to Sovietskaya Rossiya, which added, "Russia accounts for nearly two-thirds of the U.S.S.R.'s national product." But the *Soviet* economy is not geared to the needs of Russia's population. Russia "ranks last among *the union republics in terms of the* proportion of expenditures on social needs, and eighth in terms of housing provisions."

"Economic independence" is the preferred answer to the Soviet *Union's trade imbalances with its* socialist dependencies and to Russia's problems inside the Soviet Union. Why not? As the autonomous republics develop national demands, why should anyone expect the Russians not to do so?

Russia, like the Baltics, was once an independent nation. And a democratic national Russian movement has emerged in time to win elections in Moscow and Leningrad.

This is very good news.

In the Soviet Union nationalism and democracy can go hand in hand. Both have been suppressed in the multinational internal empire. But Solzhenitsyn, Bukovsky and other Russian dissidents have rightly pointed out that Russian culture has been suppressed along with that of the Ukraine and other nationalities.

Today virtually all the people of the Soviet Union support democratic self-determination for themselves and for Eastern Europe.

The age of empire has passed. The sacrifice of national interest to remote colonies no longer makes sense.

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Is the Soviet Union Going Broke?

By William Safire

WASHINGTON — The Soviet Union, which has always promptly paid hard cash for the commodities it purchases in the West, seems to have fallen almost one-half billion dollars behind in payments due to grain exporters in the past month.

I say "seems *to*" because nobody wants to talk publicly about the unprecedented delays — not the grain companies, which do not want to embarrass America's largest customer (the United States sold 21 million metric tons of wheat and corn to the Soviet Union in the last marketing year), and not the Soviet Union, which wants to conceal this part of its economic desperation.

But as a result of the mountain of accounts receivable, several international grain dealers have quietly stopped selling to the Soviet Union.

It means that Mikhail Gorbachev's plan to placate angry Soviet consumers by putting bread on their tables is now threatened.

His purchasing agents have turned to Japan. When Continental Grain declined to sell any more on credit ("We're being more prudent in bidding for business" is the way a company spokesman put it), the Japanese bought and paid for American grain and resold it to Moscow, hoping to be paid in six months or a year — in effect, acting as the Soviet's risk-taking banker.

What gives? Are the Soviets going broke?

Moscow's suppliers in America say no, that the delay must be merely a bureaucratic mix-up. In the past, Moscow's export arm bought the grain with the backing of the Soviet Union's central bank. But now, as a result of perestroika's housecleaning of bank officials, the excuse is given that the necessary documentation has been mislaid, or not filled out — or the banker has been fired and nobody sits at that desk anymore.

Without the guarantee from the Soviet central bank, the sellers of grain cannot get financing to carry the Soviets from American banks. As a result, grain shipments have been curtailed. "We got paid, finally, the other day," said one U.S. grain shipper, "but most of the other guys are still being told the check is in the mail."

Stephen Aug of ABC News reported early this week that the Du Pont company, the largest U.S. producer of agricultural chemicals, was not being paid on time by the normally punctual Russians. American suppliers have accepted Moscow's explanation that the delays were due only to perestroika's necessary decentralization.

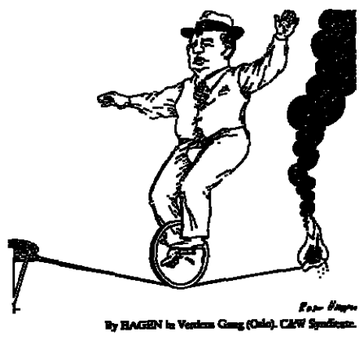
The great grain dunning raises the stakes substantially. Although the excuse is that Boris the Banker was fired and his local replacement cannot find the paperwork, the fact is that the Soviets are systematically seeking new deals permitting six-month and one-year payment delays. That spells big credit trouble.

Here is another unremarked story that helps form the background to the hurry-up Memorial Day summit conference: The same Soviet economic desperation was at the root of last month's sudden selloff of a billion dollars in gold bullion.

The price of gold dropped on March 26 from $393 to $370 — not exactly a crash, but an unusual tumble. At a loss for a reason, some analysts blamed the sale of gold in London by Saudi Arabia to pay for British weapons.

The Saudis did the selling, all right, but I am told on good authority that they acted in Switzerland as brokers for the Soviet Union.

Four days before the gold dumping, Edward Gostev, deputy chairman of the Soviet Bank for Foreign Economic Affairs, appeared before the Gold Institute's annual meeting in Arizona. He said confidently that Soviet sales of gold on the world market easily covered its grain purchases,



By HAGEN in Verdens Gang (Oslo). CAW Syndicate.

and predicted that Moscow would soon publish its secret figures on gold reserves and production.

That was intended to firm up world demand for gold as the Soviets prepared to sell. Gold bugs say the maneuver was only partly successful; the Gostev speech was not widely reported until after the tumble, and the Soviet sale was not entirely at the top of the market.

At any rate, the hard currency realized by the dumping did not come in time to prevent the black eye suffered by the Soviet credit rating among grain exporters.

What does Moscow's market manipulation and international check-kiting have to do with the Memorial Day summit meeting?

It means that the recent turnabout by the Gorbachev government from half-command economy to market-systems-ahead is purely the result of necessity.

It means that the Soviets have never been more vulnerable to pressure: quickly to pull troops out of Eastern Europe, to end the subsidy of Castro, to free the captive Baltic nations.

The New York Times

The East's New Morality Bolsters Freedom's Outlook

By William Pfaff

PARIS — The most interesting, and possibly the most important, outcome of Eastern Europe's and the Soviet Union's passage through communism is the moral effect it has produced. People have been compelled to confront good and evil in themselves as well as in the political circumstances about them. They have been tested in a manner that no one in the West has experienced since World War II and the Resistance.

A certain high-mindedness, a serenity, is apparent in many of the things now being said and done. A determination is expressed to end the hate-filled conflicts of the past. The resurgence of some of those hatreds in Transylvania, Serbia and elsewhere in Eastern and Balkan Europe, have provoked a singular recognition of the need to overcome them — to establish the general interest of society, with respect for the right of individual groups to remain themselves.

There is a clear awareness that national interest is not an absolute value. The fragility of liberal civilization is understood because its alternatives have been so thoroughly and savagely explored. President Vaclav Havel of Czechoslovakia thus was able to ask the Germans, who in the war did so *much harm to Czechoslovakia, and* were ultimately responsible for the 42-year ordeal of that country under Soviet domination, to forgive Czechoslovakia for the way it treated its ethnic Germans after the war.

Mr. Havel has said that whatever the issues of his presidency, "I find myself always confronting [the problem] of human morality.

"Our society, having recovered its liberty, has lost its sense of life, or at least finds itself deeply shaken. It is in a sort of post-prison condition, which I know very well, having myself been in prison four times ... You come out and find yourself with seemingly unlimited space in which to move about, and you find yourself overcome by indecision and lack of *confidence ... and deep within* yourself you long to go back to where there were walls and limits."

People are determined to end the hate-filled conflicts of the past.

Everywhere, the question of complicity is recognized, of guilt. What was "an acceptable level of collaboration" with the *Communist regimes*, as a Romanian historian, Andrei Pippidi, calls it? In Poland, Romania, Czechoslovakia and Hungary the refrain has been "no purges, no witch-hunts," since who will say that he was really guiltless?

It was virtually impossible to survive materially without collaborating in some degree with the authorities who totally controlled society and the economy. Where did a necessary collaboration stop and careerism begin?

Rita Klimova, Czechoslovakia's new ambassador in Washington, a close associate of Mr. Havel, was one of the young militants who imposed Stalinism on Czechoslovakia in 1946-1948. "I thought [Stalin] was crucial to everything, and great, of course."

Indeed, Czechoslovaks gave the Communist Party a 38 percent plurality in free elections in May 1946, which indirectly made possible the Communists' coup d'état of 1948.

The Romanian poet Mircea Dinescu, who was a persecuted dissident under the Ceausescu dictatorship, said in February that in the moments after the seizure of the Bucharest television studios, the crucial event in the revolution, "*Romanians* were sick with fear. Now they are sick with courage ... a disease of divine origin." There *is* a tremendous élan, and there is fear — simultaneously a fear of freedom, as Mr. Havel described it, and of losing freedom.

In Romania, the events of the revolution remain to be clarified, and elements *of the old regime are thought* still to be at work in shadows. The totalitarian state institutionalized *paranoia, but the collapse of the totalitarian* institution has not removed the paranoia. This above all is true in Romania, where since Byzantine times society has taken for granted that nothing is necessarily what it seems.

Yet is freedom really in jeopardy? Is Balkan and East-Central Europe in danger of new dictatorships?

The tremendous difference between Europe today and before the war is that today virtually no one can imagine an alternative to parliamentary democracy. Before the war, only Czechoslovakia, in Eastern and Balkan Europe, had a fully functioning parliamentary democracy. Democracy was feeble in Western Europe. The world war seemed to have discredited "bourgeois" democracy. Fascism seemed to be carrying the day.

Today democracy is triumphant. It is the system that works. It not only is the method of government that works but the economic success: Only the democracies are rich and creative. This means that democracy is the model everyone else wants to imitate. The importance of this should not be underestimated. An anti-democratic leader or faction has to go against an overwhelmingly powerful tide of democracy. Who would defend dictatorship or one-party government after their catastrophic record during the past 70 years?

There are *solid grounds for optimism* about liberated Europe, whatever its problems. In the past, East-Central and Balkan Europe made a crucial contribution to contemporary thought and art. The region may do so again. Its ordeal has imposed an unparalleled seriousness; liberation offers opportunity for creation. The next few years in this region promise to be intensely interesting.

International Herald Tribune.
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Where a Tax Revolt Would Seem Due

By David S. Broder

WASHINGTON — As Americans filed their tax returns, a huge tax revolt was taking place — but not here. Thousands of British voters, angered by a shift in the financing of local governments from the property tax to a per-capita "poll tax," were filling the streets and burning Prime Minister Margaret Thatcher in effigy.

It is striking that there has been no such tax revolt in America.

Maybe President Bush's "no new taxes" *promises have insulated this* city against a tax revolt. If so, it is an irony, for the latest Bush budget plainly says that with federal taxes pegged at 19.6 percent of the gross national product, Americans are paying more for the support of the national government than in all but three years since World War II.

And there is a case to be made *that the tax burden falls more heavily* on working-class and middle-class Americans than it does on the really rich. Dan Rostenkowski, the Democratic chairman of the House Ways and Means Committee, has released a study that he said shows that since 1980, "the richest 5 percent of the population enjoyed a real increase in their income of 46 percent." He said that "at the same time, we reduced their federal tax rates by almost 10 percent. As a result, their aftertax share of income increased dramatically. Their increase is more than the total income of the poorest 50 million Americans."

The Citizens for Tax Justice, a liberal group, says that "the superrich have received an average tax *cut of $82,196 each" since 1977*, while "nine out of 10 American families actually are paying a higher share of their incomes in overall federal taxes" than in 1977.

Mr. Rostenkowski and the liberal group sat back and waited for the public outcry. They are still waiting. Why? In part because they had tilted the figures to make a point.

The years they used for comparison, 1977 and 1980, preceded the Republican takeover of the White House, well before any *impact* could be felt from the first major tax bills Ronald Reagan signed. If you look just at the last five years, when the Reagan changes were clearly in effect, federal tax rates for the top 5 percent of families have increased 9 percent, while the bottom 20 percent received an 8 percent cut.

Still, liberal economists like Henry Aaron of the Brookings Institute and conservatives like Daniel Mitchell of the Heritage Foundation agree that the basic distribution of income has become more unequal. While all categories of families have seen some increase in earnings since 1982, the wealthy are getting a far bigger share.

Second, the experts agree that because income-tax rates have been reduced steadily during this period, while payroll taxes to support Social Security have gone up, "it can be argued," as Mr. Mitchell said, "that the middle class has a higher tax burden than before Ronald Reagan took office. And the rich have escaped because not all their income is subject to the payroll tax."

Then why no tax revolt? First, because most Americans do not respond to evidence of income in*equality with that much indignation*.

Second, since most of the increase in the federal tax burden goes to support Social Security, anger is deflected. Those taxes plainly are buying something people want.

The Washington Post.

Immobilism Has Infected America

By Anthony Lewis

BOSTON — To return to the United States from a visit to South Africa is to experience a drastic difference in political climates.

In South Africa, the most profound assumptions of the society are changing. In the United States, the political system is frozen.

In Cape Town a woman said: "*Nothing's happened, only* the whole psychology of the country has changed." By that she meant that the foundations of apartheid are still in place; the African majority cannot vote. But everything is open to challenge now, and there is a palpable expectation that the basic rules of political life will change.

To say that fundamentals are being challenged is really to say that something important has changed in South Africa. For dissent has been brutally suppressed over the last 30 years. Anti-apartheid leaders were jailed and silenced. Until a few *months ago* it was a crime to publish the words of Nelson Mandela.

Now South African television, long the slavish voice of the state, regularly reports the views of Mr. Mandela and the African National Congress. Newspapers publish exposés of official wrongdoing for which, only recently, they would have been closed.

President Frederik de Klerk can only have opened up the stifling atmosphere of South African politics with the aim of going on to substantive change. Moreover, he has broken the power of the securocrats who were a major obstacle to change — the generals who had gradually taken over state political functions under his predecessor, Pieter Botha.

Mr. de Klerk's leadership is crucial. But the white public is also readier for change than it has ever been. Not only businessmen, now, are aware of the economic cost of apartheid. A considerable part of the *Afrikaner community has come to* feel uncomfortable with the status quo of moral opprobrium and international isolation.

Whether negotiation can bridge the gap between black aspirations and white desire for assurances about the future is not so clear. But there is the sense today in South Africa of a society at last trying to come to grips with its real problems.

The United States, by contrast, *seems determined to close its eyes to* the realities that menace its future. That is true of the government and of the public.

American society has problems as serious as at any time since the Depression. Savings and investment have declined; we rely on foreign capital and then, illogically, sputter when that capital acquires U.S. assets. Our roads and bridges and other public facilities are crumbling.

It is an ill-educated society in a world where education is increasingly essential. The United States, alone among developed countries, has no national system of health insurance: 31 million Americans have no medical insurance.

A vast underclass mocks America's reputation as a just society. Homeless men and women huddle on the fanciest streets of U.S. cities.

An expensive restaurant has a notice on the wall headed "We all need food and shelter"; it lists places where people in need can get "a free meal or a place to sleep."

On these and similar problems President Bush offers no leadership worth mentioning. His economic remedy is a cut in the capital gains tax, irrelevant at best. He has nothing of substance to suggest on the country's corrupting social ills.

Mr. Bush has shown considerable skill and determination in foreign affairs. But at home he is determined only to avoid the hard problems. Why? Because he is unwilling to challenge the prevailing public mood of antipathy to government.

As Felix Rohatyn writes in the current New York Review of Books, the country is still mesmerized by the doctrines it bought from Ronald Reagan: The taxes are too high and government is the enemy.

They prevent any action to break the political immobilism, to end the obsession with deficit finagling, to *deal with national problems*.

It takes leadership for a country to face the need for change. America has *no leadership: not in the White House* and not in the opposition party.

South Africa has an infinitely *greater burden to overcome*. Its legacy of history is bitter. The society is riven. Change involves enormous risks of factionalism and violence. But there is a sense of possibility, and what a difference that makes.

The New York Times.

100, 75 AND 50 YEARS AGO

1890: A Precious Find

NEW YORK — A telegram from Denver, Colorado, states that Colonel Stanton, commander of a recent exploring expedition in the Grand Canyon of Colorado River, announces rich finds of gold, coal and marble. Placer gold is found nearly the entire length of the river. Colonel Stanton *is of the opinion that he has* relocated the bonanza, so much talked about by Major Powell, who explored the region in 1869.

1915: Pope Is Trapped

ROME — The correspondent of the New York "World" received by the Pope is Herr Karl von Wiegand, known for his *intimate* semi-official relations with the German Government. He Americanized his name into Vigand, so that the Pope was given the impression he was speaking to an American for an American newspaper. Unfortunately, too, the Pope's neutralist ideas were distorted by the "padding" of the interview. Thus a very clever German journalist, acting on behalf of Germany's interests in America and elsewhere — elsewhere being the Vatican — succeeded in turning the Pope's recognized pacifist intentions into the exact channel intended to serve Germans in America."

1940: Czechs Are Ousted

PARIS — Systematic removal of Czechs from the so-called Sudeten region, which they had always occupied, has been instituted by the Reich, according to the Czech agency in Paris. Those dispossessed of their property are being replaced by repatriates from the Baltic states and Russian-occupied Poland. All Czech associations, even of town firemen, have been disbanded and their property confiscated. Czechs may not buy land or businesses. Children *alone may inherit* property, and only if they elect German citizenship, in which case the boys are immediately sent to the front. If a man *dies childless* his property reverts to the state.

هكذا من الأصل

Reuters

A British Customs officer examining a section of the casting Friday that was seized before it could be shipped to Iraq.

IRAQ: *Baghdad Has Already Received 44 Castings, Their Maker Says*

(Continued from page 1)

been cleared by Customs and Excise," the company said.

Mr. Peck, the company spokesman, said each contract for 26 sections would form a tube 156 meters long. The eight sections seized by Customs were random parts of one 26-segment order, and "do not join up in any way, shape or form," he said.

Those who claim the pipes are part of a gun, Mr. Peck said, "may now care to make some new calculations which hopefully will persuade everyone how farfetched the story is."

The company also issued copies of a 15-minute promotional video that it had made describing filling the Iraqi order.

"Companies seeking to export products illegally do not make a complete record of their illicit operation on video, nor do they use that selfsame video for promotional purposes," Mr. Peck said.

Iraq says it is the target of a smear campaign orchestrated by Britain and Israel. "Even if we buy a box of chocolate from Britain, they will say Iraq will use it to produce an atomic bomb," the Iraqi foreign minister, Tariq Aziz, said Thursday in Baghdad.

British press articles have connected the reported gun project with Gerald Bull, a Canadian scientist and gunnery expert who was shot and killed in Brussels last month.

Customs code-named their swoop "Project Bertha" after the German World War I artillery gun nicknamed "Big Bertha," which was carried by rail, had a barrel nearly 30 meters long and was used to bombard Paris.

Politicians of the opposition Labor Party and newspapers called for an official explanation. One Labor member of Parliament, Bob Cryer, said the Department of Trade and Industry had been "complacent, inert or hoodwinked."

Skeptical Experts Asking: Why Build Such a Big Gun?

International Herald Tribune

Many military experts remained cautious Friday about the theory that Iraq plans to build the world's biggest cannon.

They asked why the Iraqis would go to the bother of building such a weapon when there were cheaper, easier and more reliable ways of delivering a warhead. "I am very skeptical that these bits of tubing are meant for guns," said Tony Banks, the editor of Jane's Defense Weekly.

An investigative officer for the British Customs and Excise service said Thursday that castings seized as they were about to be loaded into a ship bound for Iraq could be used to construct the barrel of a large artillery piece. But Mr. Banks said: "It appears that there are flanges to allow the tube to be bolted together. There is no gun in the world with its barrel bolted together."

"We would also have to look at what else they would need to make a gun of this size, which has never been made before," he said. "Apart from the barrel, they would need need breech blocks, a carriage, loading mechanism and ammunition."

In Jerusalem, meanwhile, the Israeli Army's former head of artillery was quoted as saying that Mr. Bull had helped Israel to improve its heavy weapons.

Interviewed in the newspaper Yedioth Ahronoth, the former artillery chief, Reserve Brigadier Avraham Bar-David, said Mr. Bull, who was killed in March, had helped Israel greatly increase the range of its field artillery.

"He visited this country and proposed his innovations to the army and manufacturers," Brigadier Bar-David said, describing Mr. Bull as the world's foremost authority on heavy artillery.

"Some of them were used in field artillery and permitted a very significant increase in their range," he added, without saying when Mr. Bull visited Israel.

Mr. Bull, was found dead in his Brussels apartment on March 22, shot twice in the neck.

Some newspapers speculated that Mr. Bull might have been killed by the Israeli secret service, Mossad, a theory supported by his son. Others suggested he had been killed by Iran, another potential target of a huge gun Iraq is said to be developing. *(AP, Reuters)*

Soviets Bar a Germany Solely in NATO

Compiled by Our Staff From Dispatches

MOSCOW — The Soviet Foreign Ministry said Friday that membership of a united Germany in NATO even for a temporary period was unacceptable.

The new East German coalition government said Thursday it wanted economic and social union with West Germany on July 1 and that the reunited nation should be a member of the North Atlantic Treaty Organization for "a transitional period."

"Such a possibility would be unacceptable and for this reason we must find a compromise solution," said Yuri Gremitskikh, a Foreign Ministry spokesman.

During a news conference in Moscow, Mr. Gremitskikh read out passages of an interview with the Soviet foreign minister, Eduard A. Shevardnadze, published in a NATO magazine in which he proposed that Germany temporarily belong to NATO and to the Warsaw Pact.

"The Soviet party has expressed its position on NATO membership for reunited Germany several times and at the highest level," the spokesman said.

The NATO secretary-general, Manfred Wörner, rejected the idea of German membership in both alliances, even for short time, in an interview with a West German newspaper.

"We are ready for exceptional military solutions, but apart from that we are for full membership, by all of Germany, in the Western alliance," he said in an interview due to appear Saturday in the conservative newspaper Die Welt.

"NATO attaches great importance to maintaining its integrated structure on West German soil," Mr. Wörner added.

Even if a collective defense system were set up, based on the Conference for Security and Cooperation in Europe, NATO would remain "the most important pillar of a European security system," he said.

The West German foreign minister, Hans-Dietrich Genscher, had dismissed Mr. Shevardnadze's proposal on Thursday, saying Bonn's position was "known" and "excludes double membership in military alliances."

He also noted Mr. Shevardnadze's remarks did "not take the place of an official Soviet proposal."

Mr. Genscher also said in another interview that the East and West German positions on major issues were now so close that "we Germans can be the architects of a united and indivisible Europe."

Mr. Genscher, interviewed by the Cologne daily Express, said the new coalition government in Berlin and the federal government in Bonn saw eye to eye on every important aspect of reunification:

NATO membership for a reunified Germany, East Germany's incorporation into the European Community, disarmament and the proposal for a pan-European security system which would eventually do away with the two rival military blocs.

Mr. Genscher said he wanted to sit down soon with his new East German counterpart to discuss united Germany's relations with the rest of the world. Mr. Genscher said he hoped to meet Markus Meckel, named foreign minister on Thursday in East Germany's first freely elected government.

Mr. Genscher called for an end to restrictions on the sales of sensitive Western technology to Eastern European countries formerly seen as Soviet vassals. *(AFP, Reuters)*

Poles on Katyn Apology: It's Not Enough

By Stephen Engelberg
New York Times Service

WARSAW — Poles called Friday for the Soviet Union to prosecute those responsible for the Katyn massacre, and several said a statement by the Soviet press agency Tass on the masssacre was insufficient redress for more than 50 years of lies.

"The fact that they admitted this is an important thing, but in what form the final admission and statement will be made is also very important," said Cezary Chlebowski, a professor of history at Warsaw University and a member of a Polish commission investigating the massacre.

"If this will just end with this statement, this is not the way to do it," Mr. Chlebowski said. "We expect there should be activities of the prosecutor to find the perpetrators of this crime."

Katyn was one of the most bitterly resented symbols of Soviet domination in Poland. Under the Communists, Poles were not permitted to speak or write of the massacre, even though the Soviet complicity was widely known and had been confirmed in detail by historians.

The issue remains a painful one for Poles. After making the Soviet announcement the lead item on the news, Polish television broadcast on Friday night a recently completed documentary on Katyn that included interviews with dozens of relatives of those who were killed.

Bronislaw Geremek, the leader of Solidarity's political arm in parliament and a close adviser to the government, said:

"This acceptance of guilt is important for Polish-Soviet relations. The words were pronounced that murder was committed and those who did it were named. These were words that we waited for a long time. It can be said that now, just now, the possibility is open that relations between Poland and Soviet Union can be put on the right track."

Lech Walesa, the Solidarity leader, issued a statement that praised the acknowledgment but focused on what Mr. Walesa said were "unsettled questions."

The questions he listed included "punishment of those responsible for the crime of genocide" and "free access to places within the territory of the U.S.S.R. which are important to Poles' emotions."

Janusz Zawodny, a Polish expatriate whose book "Murder in the Forest" is an authoritative history of the massacre, noted that the Soviet statement did not address the 12,500 Polish officers and others who were killed at places other than Katyn in the same period.

"If the Soviet Union follows up," he said in a telephone interview from his U.S. home in the state of Washington, "this could be the beginning of a new relationship between Poland and the United States. If it stops with this statement, it would be abysmal arrogance."

Even before the Communists relinquished power in Poland last year, the Polish government had publicly broken with Moscow over this issue. Jerzy Urban, the spokesman for the Communist government, declared in March of 1989 that the Soviets were to blame for the massacre.

Until last year, the monument to the victims in Warsaw carried an inscription that blamed the murderers on the Germans. It has since been rewritten to read simply "Katyn 1940."

BALTS: *Moscow Gives Republic 2 Days to Drop Plan*

(Continued from page 1)

and preventing foreigners from traveling to the republic.

A glimmer of hope for Lithuania, however, is an agreement on economic cooperation signed on Thursday with the governments of the neighboring Baltic republics of Estonia and Latvia, which are also seeking to secede from the Soviet Union. The agreement provides for mutual assistance in the event of emergencies.

But although Estonia and Latvia could provide some short-term assistance for the Lithuanian economy, it is unlikely that they could make up for the shortfall in supplies from the Soviet Union.

Mr. Gorbachev has already threatened Estonia with punitive measures after its parliament declared a stage-by-stage transition toward independence.

The latest developments come four days after Mr. Gorbachev's presidential council threatened further "political, economic, and other measures" against Lithuania.

On Wednesday, the British foreign secretary, Douglas Hurd, said that he had been assured by the Soviet leadership that there would be no interruption in the flow of goods necessary for the Lithuanian economy.

It is unclear how long Lithuania's supply of oil and natural gas would last before the republic would be forced to close down factories and halt public transportation.

Mr. Landsbergis said the republic could probably keep going for "some time," but declined to be more specific.

In addition to being priced in rubles, Soviet supplies of oil and gas are also considerably cheaper for Lithuania than they would be on world markets.

On the domestic market, oil sells for about 30 rubles a ton, or $50 at the grossly inflated official rate of exchange. On world markets, oil sells for roughly twice as much.

Asked if the Lithuanian authorities had emergency plans to introduce rationing, Mr. Landsbergis said: "What kind of plans can you have in such a situation? If they come with tanks and arrest us all in the middle of the night, there's nothing we can do. Foreign governments, including the government of the United States, can make plans. We can only wait and see what will happen."

INTERNATIONAL MANAGER
BY SHERRY BUCHANAN.
IN THE IHT-EVERY THURSDAY.

SOVIET: *Military in Moscow Is Reasserting Itself, a Rand Report Says*

(Continued from Page 1)

official said the Soviet military had turmoil in its ranks and was fearful about the changes instituted by Mr. Gorbachev.

The official, Henry S. Rowen, an assistant defense secretary for international security affairs, said many Soviet officers recalled the "very searing" disruptions caused by Nikita S. Khrushchev's military cuts and they were worried this experience was being repeated.

Mr. Rowen, who recently returned from a visit to the Soviet Union, said reports of desertions and failures of draftees to show up for induction were "signs of an organization in trouble."

He said he had no direct knowledge of disputes between Soviet political and military leaders but added, "It would be surprising if there were not strains, given what Gorbachev is about."

After the arms talks last week, some administration officials speculated the tougher Soviet stance on cruise-missile issues may reflect the growing influence of the Soviet military as Mr. Gorbachev tries to deal with the crisis in Lithuania.

But other administration officials say too much is being made of this theory, suggesting the Soviet approach on arms control may be the result of bargaining tactics.

Just what lies behind Moscow's latest arms-control approach may not be clear to U.S. officials until mid-May, when Secretary of State James A. Baker 3d flies to Moscow for a final round of arms talks before the summit meeting between President George Bush and Mr. Gorbachev.

The Rand report also said Mr. Gorbachev had quietly orchestrated a wholesale replacement of senior Soviet military officers in an effort to bring the military under tight civilian control.

In the first six months of 1989 alone, 12 top-level commanders were replaced, the report said.

But the Soviet military leadership remains essentially conservative, "opposing Gorbachev on the most important issues of resource allocation and the structure and deployment of forces," said one section of the report, which was prepared by Sergei Zamaschikov, a Rand specialist.

■ Visit Postponed

U.S. officials have disclosed that the chief of the general staff of the Soviet armed forces, General Mikhail A. Moiseyev, has indefinitely postponed a planned visit to the United States that was scheduled for mid-May, The Washington Post reported.

General Moiseyev explained in a recent letter to General Colin L. Powell, chairman of the Joint Chiefs of Staff, that he must remain in Moscow to help prepare for the summit meeting from May 30 to June 3, the officials said.

The scheduled date for General Moiseyev's visit coincided with a Moscow meeting on arms control between the U.S. secretary of state, Mr. Baker, and the Soviet foreign minister, Edvard A. Shevardnadze.

Several U.S. officials said General Moiseyev's statement indicated that he intended to play a more active role in Soviet arms-control policy-making than he has in the past.

ECONOMY: *Radical Changes*

(Continued from Page 1)

that the changes would be debated in parliament.

Government ministers have promised that low-income families will be protected from the worst effects of inflation, but have warned that the new measures will inevitable be "painful."

Earlier this week, Mr. Gorbachev promised to use his new executive powers to push the economic changes through parliament.

Constitutional amendments adopted last month by the Congress of People's Deputies, the parliamentary body that chooses the Supreme Soviet, give Mr. Gorbachev the right to rule by decree and declare a state of emergency in the event of widespread public disorders.

Successive Soviet governments have been extremely wary about increasing prices for fear of an uncontrollable social explosion. Last December, the government decided to shelve significant consumer price increases for several years because of the opposition of the trade unions and hard-line Communists.

Soviet economists predicted that such basic commodities as coal, electricity, and public transportation would continue to be subsidized by the state for the foreseeable future.

Subsidies on agricultural products, they predicted, which currently account for 15 percent of the state budget, will be phased out.

The government's new proposals appear to mark a step away from the idea of workers' self-management that was at the heart of Mr. Gorbachev's first unsuccessful attempt at economic change.

Officials say that major amendments will be introduced in the January 1987 law on state enterprise that gave factory workers the right to elect their managers and set up workers' councils at every level of Soviet industry.

BUSH: *In the White House, It's Hands-On Diplomacy*

(Continued from Page 1)

and deal directly with their counterparts around the globe as they grapple with the revolutionary events of recent months.

According to diplomats and government officials, Mr. Bush has demonstrated in the first 15 months of his presidency both the advantages and pitfalls of this personal diplomacy.

In his first year in office, Mr. Bush spoke by phone with other world leaders about 190 times — an average of one such call every other day — and met with other leaders 135 times, a pace far more intense than that of former president Ronald Reagan and other recent presidents.

Mr. Bush has also added a social dimension to the relationships, squiring his counterparts to baseball games, fishing trips, speedboat outings, weekends at Camp David and visits at his Kennebunkport, Maine, summer compound.

The officials said Mr. Bush had shown how such personal attention to diplomacy can bridge disagreements and forge alliances, such as in the way he has courted President François Mitterrand, who had grown distant from Mr. Reagan. Mr. Bush plans to meet with Mr. Mitterrand again next week at a resort in Key Largo, Florida.

Mr. Bush and Mr. Baker have also used these methods to stay in close touch with other central players in the rapidly changing European scene, particularly their most active partners in recent months, Chancellor Helmut Kohl and Foreign Minister Hans-Dietrich Genscher of West Germany.

Mr. Baker has had seven meetings with Mr. Genscher since the Berlin Wall came down in November, as well as innumerable phone calls and faxes that regularly arrive from the Bonn government. Mr. Bush and Mr. Kohl have met on four different occasions, and talked often by phone.

Mr. Bush met with Prime Minister Margaret Thatcher of Britain in another exercise of personal diplomacy on Friday in Bermuda. It was their fifth meeting since Mr. Bush took office.

At the same time, these officials said, there have been a few miscues, such as the embarrassing episode in which Mr. Bush spoke by telephone with a man impersonating the Iranian president, Hashemi Rafsanjani.

Perhaps more worrisome to some White House and State Department policymakers, officials said, is the risk that this kind of personal diplomacy will exclude seasoned experts, thus courting serious mistakes.

"The Rafsanjani thing was a minor embarrassment," said a high-ranking administration official who has seen Mr. Bush and Mr. Baker in action. "What might be more of a problem is when you don't bring enough people into the tent, they start taking shots at you."

This official said Mr. Bush and Mr. Baker had yet to fully exploit the wider expertise of their government, making decisions and handling communications in a very tight circle. "We all assume five or six people can do anything, and it makes it a lot easier," the official said. "But if we push the experts aside, we suffer in the end."

Geoffrey Kemp, a senior associate at the Carnegie Endowment for International Peace and veteran of the National Security Council staff in the Reagan years, said Mr. Bush's method was not singular, but a throwback to earlier years when a president and his secretary of state made decisions without lengthy debates by interagency groups.

But, he said, "the nature of American foreign policy has changed dramatically over the last 20 years. It is increasingly difficult for one, two or three individuals to comprehend, let alone orchestrate, the vast number of issues that have to be brought into serious foreign policy decision-making."

TALKS: *Bush and Thatcher Express Alarm at Report*

(Continued from page 1)

couch their remarks as diplomatically as possible.

Still, their statements at a joint news conference after talks in Bermuda represented a marked change in the way Mr. Bush has studiously avoided commenting on developments in the Soviet Union in recent weeks.

Mrs. Thatcher has also been restrained in her public statements about Lithuania, restricting herself to the calls for dialogue that she and Mr. Bush repeated Friday.

The two leaders said they were basing their remarks on a news report about Mr. Gorbachev's threat and declined to go into much detail on the development.

Mr. Bush said the two had learned of the ultimatum only moments before their news conference began and added that their governments had not independently confirmed the details.

But United States officials said that the White House had in fact learned of it 90 minutes earlier and that Mr. Bush and Mrs. Thatcher had been handed the dispatch about 30 minutes before they emerged from their private conversations to take questions.

■ Backing for NATO Role

Both Mr. Bush and Mrs. Thatcher emphasized their support for a reunified Germany within the NATO alliance, The Associated Press reported from Hamilton.

Mr. Bush said a reunited Germany should have "full control over all its territory without any new restraints."

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The Boomerang Effect of High Estimates

International Herald Tribune

LONDON — The world's leading auction houses are playing a dangerous game. There is a limit to what the market can take from speculators consigning objects for sale and demanding ever higher reserve prices concealed under the fig leaf of "estimated price-brackets," with the low estimate roughly 10 percent above that reserve. That limit has now been overstepped as the last few days have shown across the board.

On April 4, there was the episode of the Russian avant-garde paintings that belonged to the late George Costakis, a man who bought and sold with zest from his Moscow apartment in the good old Stalin and Brezhnev days. In the catalogue, Sotheby's chairman called him "one of the greatest collectors of the twentieth century." His words must have fallen on deaf ears. With a 76.1 percent buy-in rate, the auction set the season record in misjudgment.

SOUREN MELIKIAN

This week, the trouble was more serious, although seemingly more limited in its financial consequences. The subject was "European sculpture and works of art," jargon for anything three-dimensional, mostly with a figural element, that is not porcelain or glass. This covers a wide range of art from Gothic mortars to late 18th-century terra-cotta busts. Neither auction house had cause to rejoice.

At Christie's on Wednesday, the auction stumbled from start to finish. The buy-in rate, 54 percent in value, reached disaster proportions. The first lot, a pair of German ivory plaques of the late 18th century illustrating commedia dell'arte characters, failed to sell, as did the last one, a Florentine bronze group of the 17th century. The ivories were bought in at £520 ($850) against an estimate of £800 to £1,200, and the bronze went back to its owner as the hammer fell at £280,000. Here, the estimate, not printed in the catalogue, was £500,000 to £700,000. In both cases, the story was the same — blatant overestimation, not a downturn of the market nor some unaccountable disaffection of private collectors, as some London papers wrote.

There may have been an excuse of sorts concerning the bronze group, which depicts Hercules slaying the Lernaean Hydra. Charles Avery, who recently resigned from Christie's, thinks it was cast by Antonio Susini, the son-in-law of Giambologna, whom he succeeded in the workshop. Others, like Daniel Katz, one of the leading dealers in the field, and his scholarly assistant Johannes von Auersperg, believe it to have been cast later, probably in the second quarter of the 17th century, by some bronze maker from the circle of Ferdinando Tacca. That would make it worth less than half a recognized Susini original.

In most cases, however, there was not even the excuse of a scholarly debate behind the overestimation. A "Roman marble portrait bust of Donna Olimpia Aldobrandini Pamphili," with her fat jowls and smug expression, is nothing but a mediocre piece of sculpture. Its mid-17th-century period notwithstanding, it simply is not worth its £20,000-£30,000 estimate. The Roman lady remained unsold at £7,500. So did the next marble bust, hypothetically identified as "probably the Marqués Francisco de Moncada" by some 17th-century artist "from the circle of Diensart," and bought in at £10,500.

Florentine bronze of Hercules sold for £148,500.

IN such a context, the better pieces often suffer unjustly. An enchanting terra-cotta bust of a man resting on a pedestal, which carries the arms of the Brambilla family, is a superb example of Italian modeling in the mid-18th century. Bidding stopped at £7,200 even though it is easily worth the £10,000-£15,000 suggested by the catalogue.

Only the top lots survived the havoc. A marvelous but very small French bronze of a young woman trimming her toenails went up to £52,800. This is a huge price — paid by Katz — even though it is only the middle estimate given by Christie's. The other major piece, a monumental marble bust of a bearded man, "possibly Hercules attributed to Baccio Bandinelli," far exceeded the £30,000-£40,000 estimate at £121,000. It went, again, to Katz. The dealer says he is sure it really is by Bandinelli, the great rival of Michelangelo, and believes he will trace its origin.

On Thursday, Sotheby's suffered less. The failure rate was "only" 35 percent. Sotheby's knowledgeable expert Elizabeth Wilson wisely refrained from wildly optimistic assertions where only speculation is possible. A 17th-century Florentine statue of Hercules supporting the globe is a superb model, brilliantly cast by some successor of Giambologna. Despite a nasty patina, the 89-centimeter (35-inch) high piece shot up to a huge £148,500. The next important bronze would undoubtedly have fared equally well had it not been blighted by an unrealistic £200,000-£300,000 estimate. Powerful as it may be, the figure of Neptune in the manner of Gianlorenzo Bernini will probably remain anonymous — Bernini is not known to have cast bronzes. Bidding stopped as the auctioneer called out "£165,000." A dealer might be able to sell it for £200,000, not an auction house.

Bronze bust of Lord Herbert by Hubert Le Sueur.

A worse case of overestimation affected a bronze group of Tiresias slaying the serpents. Snakes are never a favorite, and the composition here is awkward. The 17th-century bronze of uncertain parentage was bought in at £75,000, half the low estimate. It would have been well sold at that price.

The same tendency to push prices to the utmost nearly defeated one of the most impressive pieces, an admirable bust by the French artist Hubert Le Sueur. The sculptor worked for Louis XIII before going to London at the request of the French monarch, who wished to improve relations with England. The sitter, Edward Herbert, who had been made Lord Herbert of Chirbury (Cherbury) by the time Le Sueur cast his bust in bronze in 1631, is famous in England. Aside from being a poet, historian and philosopher, he was embroiled in numerous love affairs and was at the heart of European diplomatic and military history. The 52-centimeter object is, in short, highly desirable. But an accident at the bottom, described as a casting flaw, repaired by riveting, and an ugly patina, must be taken into account. To set the estimate of £250,000-£350,000 was to aim for the highest conceivable price and more. The object sold, only just, against the reserve, on a £240,000 bid, i.e. £264,000 with premium.

Sotheby's had no such luck with the rarest sculpture in the whole sale. This is an ancient Roman statue recarved in the 16th century — possibly, Elizabeth Wilson says, as a result of a break along a fold of the toga, on the chest. Fitted with gilt bronze hands, feet and a head, it was made into a statue of St. Peter holding out his keys to Paradise. Sotheby's expert points out that this embodies everything that the Renaissance stood for, its love of antiquity as well as the reinterpretation of its artifacts.

THE trouble is that it takes some time for any viewer to persuade himself that the object is indeed as described rather than, perhaps, a forged antiquity of the 16th century or, worse, some 19th-century mess. This, again, is a typical object for a leading dealer selling in the privacy of his cabinet to a few chosen connoisseurs, leaving all the time to gaze and ponder the pros and cons — probably taking it home for a few days to get the feel of it. The estimate of £250,000-£350,000 is not unjustified, but the sale room is hardly an appropriate setting for such a deal.

Luckily, Sotheby's concluded its session that day with one of the most extraordinary royal Kunstkammer objects seen at auction in the last decade. Signed by Georg Schreiber, who made it in 1616 in the great Prussian metropolis of Königsberg (ceded to the Soviet Union in 1945 and now called Kaliningrad), the games board is executed in various hues of amber. Superb carved medallions are set in along the borders.

The object is the earliest piece in the German artist's dated oeuvre, which until now had covered the years 1617-1643. The exterior is for chess and nine men's morris — a game called Die Mühle in German — and the interior for backgammon. A set of chessmen, possibly of the 17th century, goes with it, as does a set of 24 checkers pieces. Unpublished until now, the board had been out of the market for decades.

So powerful was the surprise effect that it nearly quadrupled the high estimate as it sold for £330,000. This hardly suggests the "market downturn" that some commentators see. But if the fiddling with "estimates" goes on, one might be triggered off fairly soon.

SALES

A pilot on a sentimental journey once upon a time could pick up a surplus World War II fighter for about $2,000. But the asking price now can soar higher than $1 million. The Museum of Flying in Santa Monica, California, plans an auction of historic aircraft on May 19 and 20. Planes once abandoned in rusty hangars and barns have been lovingly restored. P-51 Mustang fighters have fresh paint jobs and jaunty names like "Stiletto." A rare restored P-38 Lightning twin-boom fighter in the Pacific is on the block for more than $1 million.

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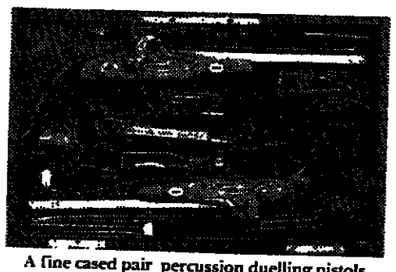

A fine cased pair percussion duelling pistols, ca. 1835, inscribed G. Berleur. Estimate : 150/200,000 FF

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Surigao gold sash, Northeast Mindanao, Philippines, 11th-13th century B.C. Detail. Estimate SFr. 220,000. (Auction Geneva, 14 May 1990).

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21 April	Watches, Wristwatches and Clocks	
New York, The Puck Building		
5 May	Soviet Contemporary Art	
New York, Regency Hotel		
14 May	Impressionist and Modern Paintings, Drawings and Sculpture	
Geneva, Hôtel des Bergues **		
13–14 May	Art Nouveau/Art Deco	
14 May	Gold, Ancient and Ethnic	
15 May	Fine Jewels	
16 May	Fabergé, Russian Art, Objects of Vertu, Silver	
Hong Kong, Furama Kempinski Hotel		
28 May	Watches, Wristwatches and Clocks Cash Fast Sale and Silent Sale (without illustrated catalogues)	
New York, Regency Hotel		
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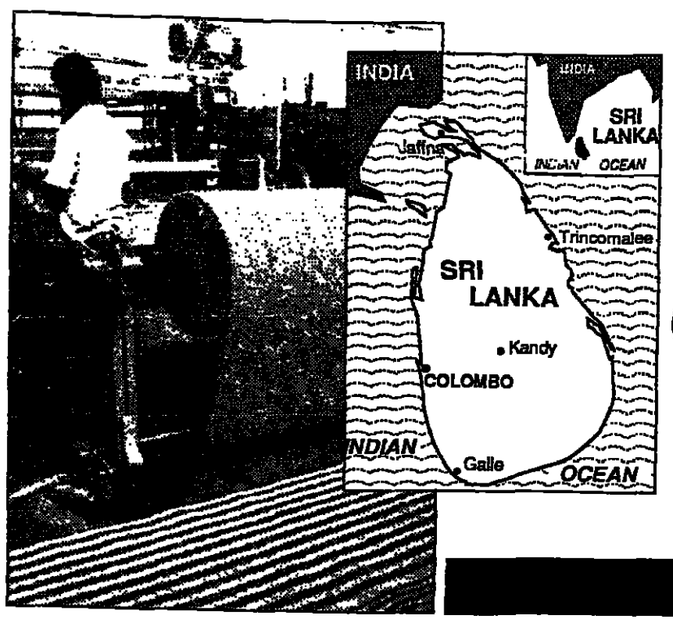

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New Style of Leadership Stresses Pragmatism

Sri Lanka is directing all its energy toward restarting the nation's stalled economic engine to meet the challenges of the future. Already, the new determination is bearing results in greater investor confidence and increasing numbers of tourists.

The architect of this transformation is President Ranasinghe Premadasa. He has created the atmosphere for a national resurgence that looks beyond ethnic differences to the miracles that can be accomplished through united action. His innovative approach reaffirms an ancient tradition of greatness far out of proportion to the island's size.

Sri Lanka is said to have been founded by King Vijaya in the 6th century BC. Its superb position astride the sea lanes between East and West brought it wealth and prominence from an early date. Arab traders called at its ports, and it is recorded that Singhalese ambassadors visited the Roman court of Emperor Claudius in the 2nd century BC and the courts of Chinese emperors. The Chinese scholar/traveler Fa Hsien lived in the ancient city of Anuradhapura from AD 412 to 414.

Arab navigational charts of the 6th and 7th centuries identified the island as "Serendip," coining a word now firmly ensconced in the English language and meaning "felicitous surprise."

Sri Lanka is the size of Holland and Belgium combined. Its rich northern cities ruled the island from the 4th century BC onwards. These great civilizations served as crucibles for an artistic tradition whose merit is immediately apparent to visitors to the ancient cities of Anuradhapura, Polonnaruwa, Sigiriya and Kandy. To this core of Singhalese culture was added the Tamil culture, centered at Jaffna, which dominated the eastern and northern dry zones.

STEVE VAN BEEK

Clockwise from left: President Ranasinghe Premadasa; garment production; gherkin cultivation; Colombo; the streets of Kandy.

Unfortunately, Sri Lanka's riches and its strategic position attracted covetous eyes. The Portuguese, Dutch and British each ruled for 150 years, bringing their styles of architecture and administration to the island. They also introduced the tea and rubber, which, with coconuts, today rank among Sri Lanka's principal exports.

During World War II, Colombo and Kandy served as bases for British military operations in Asia. In 1950, the far-reaching 26-nation Colombo Plan conceived by President J.R. Jayewardene was forged to provide financial and technical assistance to developing countries in South and Southeast Asia.

Unlike many Asian nations, Sri Lanka (then known as Ceylon) achieved its independence peacefully. On February 4, 1948, after a series of protests, Britain granted the island its right to self-determination. Sri Lanka chose to emulate its colonial occupier by establishing parliamentary democracy as its form of government. In 1978, that system was modified to one in which the president is directly elected by the people to a six-year term.

Modern Sri Lanka is an amalgam of ethnic groups— Singhalese, Tamil, Muslims and Burghers (descendants of Dutch settlers) — and religions — Buddhism, Hinduism, Islam and Christianity — which have not always coexisted peacefully. The island republic's recent history is an example of how racial hatred can be fanned into flames that threaten to destroy the economy and the nation.

Between 1982 and 1989, the island was under siege by Tamil separatists, an unwanted Indian peacekeeping army and backlash Singhalese radicals of the JVP party who resorted to terrorism in a bid to seize power. Calm counsel and some far-reaching decisions by the government of President Premadasa have begun to defuse the situation. Today, there is a sense of relief that the long nightmare is over. The JVP has been neutralized, and President Premadasa has initiated talks with Tamil leaders to hear their grievances.

President Premadasa's style of leadership offers the island a fresh approach to the challenges of the future. It stresses pragmatism and establishes meritocracy as the ruling order. There is a move toward the loosening of bureaucratic control and the sharing of power, putting more trust in the people to determine the course the country should take.

This liberal approach to economic and social development lets market forces rather than centralized policy set the course and eases the way for foreign corporations to participate in the country's growth. The government is also determined to cut loose any state enterprise that fails to pay its way, a process the government calls "peoplization" rather than "privatization" since it intends for public shares of privatized enterprises to be issued to ordinary citizens.

A liberal approach to economic development lets market forces, not central policy, set the course.

President Premadasa has extended this "prove yourself or perish" approach to leaders as well. Ministers are appointed for a one-year term. Those who fail to accomplish their goals are replaced. Although under no pressure to do so, the prime minister and the entire cabinet tendered their resignation on March 29, 1990 to pave the way for new ideas and to rationalize the ministries in an effort to cope with a changing situation.

This freshening breeze sweeping across the island portends a new era, a chance for Sri Lanka to regain some of its former prominence as a financial and investment center in South Asia, an innovator in economic and social development and an example for the rest of Asia.

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Laying the Infrastructure For Economic Growth

Sri Lankans understand the vital importance of creating a good infrastructure. For over a millennium, they have been transforming their water resources to serve agricultural needs, holding to the decree of the 12th century King Parakramabahu I that "not one drop of water reach the sea without first serving man."

Master engineers, the 12th century Sri Lankans dammed and diverted rivers to create more than 11,000 reservoirs in Anuradhapura and the northern provinces alone.

This water engineering tradition has continued to the present day. Nearly four percent of the 1990 budget is devoted to developing irrigation facilities, carrying on the recently completed Mahaweli Scheme, which turned the nation's longest river into a prime source of irrigation water.

Sri Lanka's many rivers have also given it abundant hydroelectric power. At present, it has an installed capacity of 700 MW, produced by dam powerhouses as well as gas and diesel turbines. Anticipating continued industrial growth, the government has planned for demand up to the year 2000, allocating approximately three billion rupees for infrastructure development.

There is an extensive telecommunications system with facilities for IDD and fax links with overseas cities and for telex and telegrams.

Roads and highways totaled 69,000 kilometers in 1987, with trucks and buses connecting most towns. Major cities are linked by 1,944 kilometers of rail lines, which also connect Colombo's port with outlying towns.

The national carrier, Air Lanka, serves key destinations in Asia, Europe and Australia. Domestic services are presently provided by the Sri Lankan Air Force, but future plans call for the creation of a privately owned domestic carrier.

One of Sri Lanka's major infrastructure successes is its port facilities. Recent developments have reestablished its historic role as a transshipment port. In 1956, the government built Queen Elizabeth Quay, Bandaranaike Quay, Prince Vijaya Quay and an oil dock that provided 15 alongside berths and two coaster berths.

In the 1970s the government recognized that an opportunity to play a wider role in east-west container traffic was sitting on its doorstep. With the assistance of the Japanese government, the newly established Ports Authority in 1980 drew up a master plan to develop Colombo's port for container cargoes.

The resultant Jaye Container Terminal, completed in 1987, contains two berthing piers of 300 meters and 332 meters, with two container cranes and five transfer cranes each. This fully computerized operation can also handle reefer containers.

As a result, Colombo port in 1988 handled 628,485 TEUs (twenty-foot equivalent units), 77.2 percent of which were transshipped. In 1990, the authority hopes to see that figure climb to 700,000.

"Today we are ten years ahead of all other ports in the region in berthing facilities, equipment, and efficient service," says A. de Vass Gunawardena, chairman of the Ports Authority's Board of Directors. "Major lines choose us for transshipment because our paperwork is minimal and we can turn a ship around in 12 hours. We can handle 24 ships at a time, including fourth-generation ships carrying 4,000 containers. We can also handle non-conventional carriers, LASH and Ro-Ro vessels."

Success has bred new challenges. By 1992, the authority will have expanded the Jaye Container Terminal, adding another berthing pier, two more gantry cranes and more transfer cranes, enabling it to handle post panamax vessels. To speed transfer of in-bound and out-bound cargoes, the authority will build an access road linking the port with the main highway north.

To provide for future needs, the port at the southern city of Galle will be developed.

"Galle is only 25 kilometers from the main shipping lanes and has more land for expansion," says Mr. Gunawardena. "The Ports Authority is now drawing up a master plan with assistance from the Japan International Corporation Agency. The new breakwater and container piers will serve a new Export Processing Zone now being established in the Galle area. We hope to have it onstream by 1991."

These ports will be supported by the port at Trinacomalee and the KKS port in Jaffna.

The Jaye Container Terminal is a fully computerized operation.

Pragmatism in the Air: A Business Turnaround

A prime example of the government's "prove yourself or perish" approach is Air Lanka, whose history until recently had been anything but happy.

Established in 1979 as a successor to Air Ceylon, Air Lanka was expected to become a major revenue earner on major international routes. Although capitalized nearly 70 percent by the government, it was allowed to function as an independent entity. Almost immediately it ran into trouble.

The three Lockheed aircraft it purchased had more capacity than was justified by the traffic. Between 1979 and 1989, the airline lost seven billion rupees. By all accounts, the country's internal strife and the subsequent drop-off in tourist arrivals had little to do with its problems. Critics suggest that it was a matter of inefficient operation.

In July 1989 President Premadasa put the airline on notice: become commercially viable or close.

The man he chose to accomplish a turnaround was the present chairman and managing director, Dunstan Jayawardena, an urban economist who had headed the National Housing Authority and built 155,000 houses in the Hundred Thousand Houses program.

"At that point, we were not even covering our debt service," he says. "I felt we had to give it oxygen to buy time."

To accomplish that, Mr. Jayawardena instituted an ambitious cost-cutting scheme and rooted out corruption and inefficiency. In the process, he boosted morale, pushing the staff to achieve higher load factors. As a result, Air Lanka, for the first time in its 10-year history, will end the 1989-90 fiscal year with a net profit.

"It will be only US$3 million, but it is a start," he says. "Our most important achievement is to have given the airline a good name. We are no longer wasting taxpayers' money, and we have now regained public confidence."

The new fiscal year will bring major reforms for Air Lanka.

"In the coming year we will devise corporate objectives and strategies and overhaul our management systems. We must refleet the airline with new, economical aircraft. With the stigma of losses out of the way, we can talk with dignity to other nations and aircraft manufacturers to forge a better airline."

As part of its new direction, Air Lanka will begin charter service to Melbourne on May 4. Its present fleet of seven aircraft will be augmented, as will its staff of 3,000. Future plans include creating holiday packages and entering the hotel business. With the airline now on solid footing, anything is possible.

Incentive Package Geared to Investors

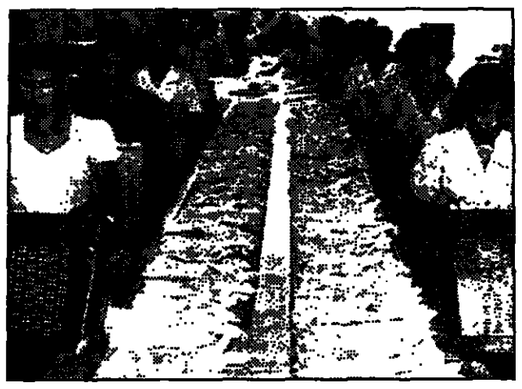
As part of its economic liberalization program initiated in 1977, the Sri Lankan government is breaking down barriers in order to allow foreigners greater participation in Sri Lankan business and industry.

"For the past 30 or 40 years, we have been looking inward, pulling ourselves up by our bootstraps," says A.S. Jayawardena, secretary to the Ministry of Industry. "This approach won't work anymore. Small countries like Sri Lanka have no choice; we must be export-oriented, and the world must be our marketplace. To do that we are gradually taking away restrictions and inviting investment."

Foreign investment and joint ventures are overseen by the Greater Colombo Economic Commission (GCEC). Established in 1978, the GCEC functions as a one-stop investment center for the entire country, providing support for the entire life of a project.

Under its chairman and director general, Nissanka Wijewardane, it is an indispensable aid to would-be investors. It can serve as an intermediary with government agencies to process investment proposals, facilitate equipment importation, intercede with the Customs Department for duty-free importation of raw materials and export of finished or semi-finished products, provide engineering services for site selection and facilities, provide staff recruitment and training facilities, advise on industrial relations and arbitrate industrial disputes. With its help, an investment application can be approved in 4-6 weeks, a time span the GCEC will soon reduce to 2-3 weeks.

The GCEC also conducts market research and has identified these key areas as ripe for investment: agro-based industries that use the country's abundant coconut, rubber, leather and wood as raw materials; mineral processing that uses deposits of ilmenite and rutile sand and apatite for titanium and phosphate fertilizers. It welcomes industries processing Sri Lanka's graphite, perhaps the finest in the world, with 99.8 percent carbon content. Gems are mined in abundance; costume and fashion jewelry are two areas to be developed. All the raw materials for ceramics products are found in Sri Lanka.



Rubber raw material provides gloves for export.

Investment is also being sought in plastic-based products, toys, handicrafts, sporting/athletic goods, boat building, medical and surgical supplies, novelties and manufacture and assembly of electrical appliances and electronic products.

Textiles hold great promise. New garment exports to the U.S. and the EC are closed due to quota restrictions, but other markets are still open. Garments for hospitals, high-fashion items of silk, leather and plastic can also be produced.

Sri Lanka offers the foreign investor several distinct advantages. One is its low labor costs, which start at US$1.10 per day. The country also possesses a good infrastructure, a wealth of natural resources, a pleasant working and living environment and strong government support with attractive investment promotional privileges.

It is the government's investment packages that attract many new businesses to Sri Lanka. For activities deemed beneficial to the country, a company may be 100 percent foreign-owned, or it may freely transfer shares within and outside of Sri Lanka. Dividends, capital and proceeds of liquidation can be remitted without tax or exchange control restrictions. Visas for expatriate staff can be obtained with minimum difficulty.

Among the most appealing items in the package are the tax holidays, which last from five to 15 years. Its length is based on five-year projections of the amount of the company's investment, number of employees, degree of technology transfer, degree of export orientation, the size of the export earnings and the net export earnings for Sri Lanka.

Other incentives include elimination of tax on royalty remittance, tax exemptions on expatriate staff earnings, double taxation agreements with 19 countries, duty-free importation of construction materials, plant equipment and raw materials and duty free export of the final product or semi-finished goods.

One of the major benefits is investment security. According to Mr. Wijewardane, "A company is guaranteed protection from expropriation by the law which established the GCEC. It is also protected under Section 157 of Sri Lanka's Constitution, by Investment Protection Agreements with 19 countries as well as copyright and patent protection. Sri Lanka is also a signatory to the Multi-lateral Investment Guarantee Agency (MIGA) of the World Bank, which protects against non-commercial risks."

Sri Lanka offers an investor three options in setting up his processing facilities: Export Processing Zones (EPZ), private sector industrial parks and direct purchase of a factory site.

The most popular options are the EPZ's. There are two: one at Katunayake near Colombo's airport and another at Biyagama, 24 kilometers northeast of Colombo. Both offer 99-year leases and an infrastructure that provides full power, water supply, a comprehensive communications system, paved roads, sewage/effluent collection and treatment, an environmental control laboratory, security systems, guards and chain-link fencing.

The EPZ also provides an on-site administration complex with banks, an immigration office, customs, a labor office, medical clinic, post office, sports facilities, accounting firms and cargo forwarding agencies. Workers live in nearby towns served by bus routes.

While expanding the existing EPZs, the GCEC will construct a third near the southern seaport of Galle. It is also considering constructing a high-technology park in conjunction with the Arthur C. Clarke Center. Devoted to innovative industries, the park would provide scientists with facilities to carry out research in fields like lasers and computers.

The GCEC is also encouraging the private sector to create industrial parks. Local authorities or companies would provide all facilities and lease the space and services to the investor.

An investor requiring his own site can buy land but must do so as a locally registered company. If he purchases as a foreign entity, he must pay a 100 percent stamp duty. In either case, he can still qualify for promotional privileges.

Some 27 countries have invested in over 100 projects under the auspices of the GCEC in such diverse areas as household and surgical gloves, diamond processing, security printing, bicycles, granite slabs, brushes, ice skates, pentometers and switches, steel fasteners, tires, cordless telephones, piping systems, magnetic heads and electronic goods.

The experiences of two firms are instructive for would-be investors. J.P.H. Leemans, managing director of the Sri Lankan branch of Agio, a Dutch Tobacco processing firm best known for its Winterman's cigars, established a factory in 1985 at the Biyagama EPZ.

"We had looked at a number of countries for our Asian factory but found that the labor force, facilities and infrastructure were the best in Sri Lanka," says Mr. Leemans. "For one thing, it was easy to set up operations. We were able to build our factory and start production in only six months."

Agio's factory has 300 machines to shape cigar binders and wrappers for final rolling in Holland.

"We found Sri Lankan workers were very suitable to our production process. They had good productivity and were easy to motivate."

From a small production unit, the factory now has 1,100 employees and will soon expand staff size to 1,300. It is also hiring local management personnel.

"We started with one expatriate and still have only one. The Sri Lankans can handle all the management and administrative duties themselves," says Mr. Leemans.

Mr. Leemans is optimistic about the future of foreign investment in Sri Lanka. "Last year, I would not have considered expanding or recommending that anyone invest here, but the political situation has changed. The Sri Lankan bureaucracy is promoting investment and is supportive of all our efforts."

Soon Shik Lee is the deputy managing director of Ceramic World. Like Agio, the company looked elsewhere before settling on Sri Lanka for its first factory ouside Korea.

"This is the freest economy in South Asia. The tax holidays and low wages are also very attractive," says Mr. Lee.

Ceramic World produces more than 2,000 figurine items. Its 1,150 employees handle all stages of production, from the mixing of the clay through painting and packaging.

"The staff is quite talented, works well and is very gentle. We now have 18 Korean experts, but within two years we will cut that number to only three or four," says Mr. Lee.

An unexpected bonus came in the procurement of raw materials.

"Until March 26 this year we were importing all raw materials from Korea. Then, we found that Sri Lankan clays were ideal for our purposes and are now importing only 20 percent of our raw materials. We are very happy with our decision to locate in Sri Lanka."

The GCEC is ready to assist other investment ventures. It can be contacted at No. 14, Sir Baron Jayatilake Mawatha, P.O. Box 1768, Colombo 1, Sri Lanka. Tel: 548-105, 548-880. Telex: 21332 ECONCOM CE. FAX: 94-1-547995.

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About Sri Lanka

Area: 65,610 square kilometers, the size of Holland and Belgium combined and lying southeast of India between 6 and 10 degrees north latitude.

Population: 16,586,000 (mid-1988 estimate)*

Population growth rate: 1.4 percent*

Largest city: Colombo: 683,000 (1986). Its airport, Katunayake, lies 29 kilometers north of the city.

Form of government: Parliamentary democracy. According to the 1978 Constitution, modeled on a combination of the French and U.S. systems, a president is directly elected to a six-year term by the people. He appoints a prime minister and cabinet. Legislation is enacted by a 227-member parliament elected by the people. A system of courts adjudicates the law.

Languages: Singhalese, Tamil, English.

Ethnic mix: Singhalese (74 percent), Tamils (18.1 percent), Muslims (7.1 percent), others (0.8 percent)*

Religions: Buddhist (69.3 percent), Hindu (15.5 percent), Muslim (7.6 percent), Christian (7.5 percent), other (0.1 percent)*

Tallest mountain: Pidurutalagala: 2,524 meters

Time: +5.5 hours GMT

Climate: Tropical. Highest temperatures between March and June. Average maximum: 32.9 °C; minimum: 20.1 °C*

GDP growth rate in real terms: 2.7 percent (1988)*

Per capita GNP at current prices: US$375 (1988)*

Composition of GDP (1988): Agriculture: 26.3 percent; industry: 25.5 percent; services: 48.2 percent*

Literacy rate: 88.6 percent*

Currency: The rupee, tied to a basket of currencies and presently trading at 39.8 rupees to US$1.

* Statistics provided by the Central Bank of Sri Lanka.

STEVE VAN BEEK

Government Moves to Transform Economy

Sri Lanka's economic profile is changing rapidly. The traditional triangle of exports — tea, rubber and coconuts — that formed the bedrock of the island's economy is giving way to new products and ventures as the country shifts from domestic-oriented to export-oriented industries.

For decades, tea was the number one export. Although in 1988 it earned the country 12.3 billion rupees (SDR 288) in foreign revenues, it was outstripped by a new contender: garments, which earned 14.3 billion rupees (SDR 333).

Remittances from Sri Lankans employed abroad were followed by earnings from rubber, coconuts, gems, refined petroleum products and manufactured goods for a total 1988 GDP at current factor cost prices of 203.5 billion rupees, a 14.5 percent increase over 1987.

But while exports totaled 55.5 billion rupees, imports came to 75.4 billion rupees, resulting in a balance of trade deficit of 24.3 billion rupees. While the situation improved dramatically in 1989, with a deficit of only 19.8 billion rupees, the Sri Lankan government thinks business can do better and is taking steps to help it do so.

On December 15, 1989, the Ministry of Industries drew up "A Strategy for Industrialization." It envisions transforming the country's economy to production for export by liberalizing rules and regulations and by providing support for the private sector to develop freely. It hopes to accomplish this by encouraging companies to process natural resources — formerly exported in raw form — into value-added products, by diversification and by "peoplization" of state enterprises.

At the same time, it will promote the formation of new export-oriented industries by special incentives, make existing industries internationally competitive, establish linkages between big investors/industries and small producers, and enhance work force skills and productivity through training programs.

The prime agent in the export drive is the government's Export Development Board. Its director general, Camillus Fernando, sees the EDB as a catalyst to development. "We are working to find new foreign markets, encourage local investment and joint ventures, and to promote Sri Lankan products and production capabilities among overseas importers," he says. "For example, while waiting for garment quotas to be expanded in North America and the EC, we are looking for new markets that do not impose quota restrictions.

"One of our imports is raw fabric to produce garments for export. We would like to see these textiles woven in Sri Lanka. In the same way, we are encouraging local businessmen to tan animal hides rather than ship them untreated.

"Parawood, formerly used for firewood, can be turned into furniture. Overseas publishers are invited to print books in Sri Lanka. We want to export jewelry instead of gems, to sell tea in bags instead of bulk, and to market the tea in creative containers like teapots. We are encouraged by the successes to date. Sri Lankans are beginning to see what can be accomplished and are responding enthusiastically."

Leading the way are long-established foreign companies like Nestlé, Warner-Lambert, Kellwood, Singer, C. Itoh, Noritake and Michelin, as well as the country's oldest and most dynamic local companies.

One of them, Hayleys, started in 1878 by selling rubber and coconuts. Today, it deals in natural fibers, rubber products, essential oils, minerals, brushes, chemicals, activated carbon, agricultural machinery, electronics and engineering. In 1989, it accounted for 1.7 percent of Sri Lanka's exports.

D.S. Jayasundera, chairman of Hayleys, says he is "bullish" on Sri Lanka's future. "I see great potential now that the troubles are over," says Mr. Jayasundera. "We are considering a number of new ventures, many of them in high-value agriculture. We do not want to get into large-scale farming because it creates social problems, so we are subcontracting food production to the farmers."

Aitken Spence is another old-time firm with widely diversified interests. Established in 1871, it is involved in shipping, freight forwarding, insurance, printing, tourism and air travel, hotels, garments, essential oils and food processing.

"We have succeeded because we have had a highly motivated management team," says Aitken Spence's chairman, Charitha P. de Silva. "We took the unusual step of giving them shares in the company and it paid off," he says.

"Six months ago, the situation was rather depressed. Then, from September through November, the picture changed so rapidly that it took everybody's breath away."

Rather than relying on foreign partners, Aitken Spence is looking inward. "We trust in the competence of Sri Lankans to do the job by themselves," Mr. de Silva explains.

Financing for the private sector is provided by the country's 25 commercial banks, two representative offices of foreign banks, two merchant banks and large number of finance companies, all of which operate under the control of the Central Bank of Sri Lanka. Most banks are independently managed, as are an increasing number of insurance companies now that the government is shedding some of its insurance organizations through privatization.

Still to be developed is an active stock exchange.

"The stock market needs to be revitalized," says H.B. Dissanayake, acting secretary to the Ministry of Finance.

"Of the 230 companies listed, only 32-36 trade actively. To enable the stock market to be a more effective means of capital formation, we hope to list more companies and to educate the public on the benefits of investment."

New Ventures in Social Development

In its drive toward economic prosperity, Sri Lanka recognizes that its most important resource is its own citizens. Their health and education must be guaranteed so that they can be productive members of society and so that the country's further development benefits them directly.

To preserve good health, the government in 1989 spent 3.38 billion rupees (US$84.9 million) or 5.96 percent of the national budget to provide universal free health care.

Education is another important endeavor. Sri Lanka has an 86 percent literacy rate, the second highest in Asia. Its investment in education totaled 7.62 billion rupees, or 13.4 percent of the national budget, in 1989. In addition, it provides vocational training and extension courses for all age groups.

It has moved beyond these basic concerns, however, to include provisions for housing and opportunity. The two are among the boldest experiments by a government on behalf of its people: the shelter scheme and the Janasaviya program.

Both are the responsibility of Susil Siravardana, chairman of the National Housing Development Authority and commissioner of the Janasaviya program.

"When he was minister of housing, President Premadasa felt that shelter was a basic right of every human being," says Mr. Siravardana. "In 1978, several families were sharing the same house, children were living with their parents, population was rising and there was no shelter for them. Mr. Premadasa pushed the provision of housing to the top of the government's priority list."

What resulted was the Hundred Thousand Houses Program, in which the government hired contractors to build a total of 155,000 houses between 1978 and 1983.

Emboldened by its success, the government announced the start of a successor project, the Million Houses Program, for the 1984-1989 period.

"Then we began making startling discoveries," recalls Mr. Siravardana. "We found that while we had built 155,000 houses, the people on their own had built 500,000 and for a lower cost. We learned this was a universal experience around the world: governments can't build houses. Why? Because houses are individual and personal. If people are left to themselves to do it, they will be more satisfied."

"We had to unlearn, and relearn from the people, trusting them to give direction," Mr. Siravardana continues. "We put our resources into helping families build their own homes. Overnight, we changed from a conventional, state-dominated process to a support function. Costs dropped immediately. We had been spending 35,000 to 40,000 rupees per house and thought we were doing it cheaply."

Improved education and housing are an essential part of Sri Lanka's development plans.

Under the new program, the cost dropped to 5,000 rupees per house because the pople found their own materials and did the work themselves. "It taught us that the primary resource in development is human beings, their ingenuity and energy," Mr. Siravardana says.

The success of the new approach spawned a successor, the 1.5 Million Houses Program, which will be completed by 1994. It also led to the creation in 1988 of one of the most innovative and daring programs in Asia, a poverty alleviation program called Janasaviya, translated as "People Power."

"The program gives people an opportunity not just to subsist, but to make some permanent changes in their lives," says Mr. Siravardana. "It consists of two parts: a Consumption Packet and an Investment Packet."

The 1,458 rupee-per-month Consumption Packet is an outright grant to families earning below the 700 rupees per month identified as the poverty line. One thousand rupees are provided in the form of food coupons. A further 458 rupees are placed in a savings account managed by the local post office.

To obtain the packet, the family must do 20 days of work and four days of review per month. The departure from similar programs is that the work is not in communal labor but in individual projects. The recipient can grow a new crop, learn a skill or start a small business.

The second component is the Investment Packet. Each family receives 1,042 rupees per month for 24 months, or can obtain the entire 25,000 rupees during the first month. Ten people can pool their money to get 250,000 rupees to start a business.

Mr. Siravardana explains: "The money buys them the chance for the first time in their lives to plan their futures. We want to break the cycle of poverty, to give people a chance to examine themselves and their talents and then see that they have worth."

Administration of the program is also carried out at the village level and is based on the government's principle of trusting the people to find solutions to their problems.

"The village decides who is poor based on visible wealth," explains Mr. Siravardana. "Each hamlet selects four people — one must be a woman — to be members of the Support Team [ST]. The ST is augmented by a low-level civil servant who serves as the link with the government."

To date, most of the money has been used to purchase water pumps and animals to improve farm productivity, says Mr. Siravardana. "One man bought a bicycle and a camera and became an itinerant photographer."

The country's 227 districts have been divided into 11 "rounds" or groups. The first round comprises the poorest 25 districts in the country. Over the next few years, new rounds will be introduced until the entire country has been covered, an innovative program that bears watching by other developing countries.

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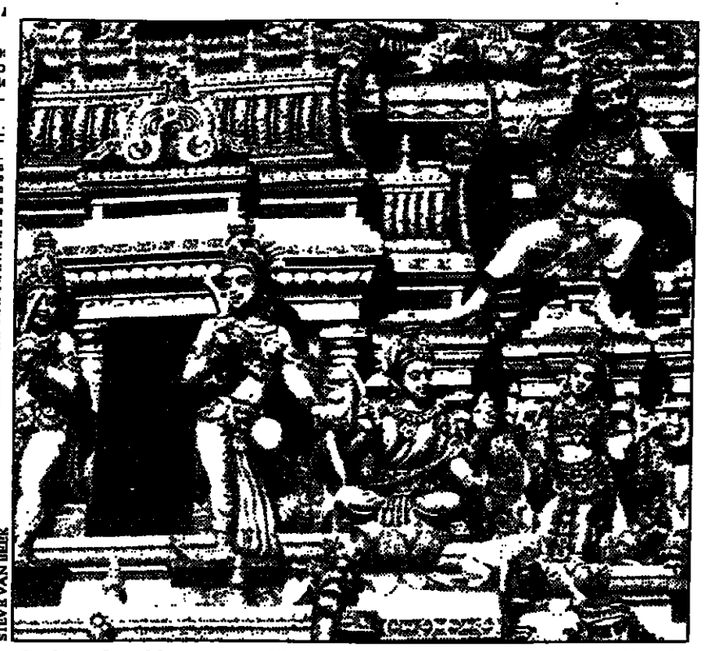

STEVE VAN BEEK

Gods and goddesses on a Hindu temple between Sigiriya and Kandy.

Telling Teatime Tales: A New Old Export

If the world knows nothing else about Sri Lanka, it knows Ceylon Tea. This mild beverage has become such a favorite among tea drinkers that it is Sri Lanka's number one agricultural export.

In 1988, 226.9 million kilograms were produced and 219.8 million kilograms, or 25 percent of world demand, were exported. Earnings from tea exports represent about 50 percent of Sri Lanka's overseas earnings, and over one million Sri Lankans directly or indirectly earn their livings from tea plantations.

The first tea bush was planted in Sri Lanka in 1870 and quickly took to the cool climate. In the wild, the tree would rapidly grow to 10 meters. Planters trim it like topiary every two to three years, keeping it at waist height.

Tea is grown at three altitudes, and each affects the flavor and color of the leaf. High-grown (above 1,200 meters) is a bright, golden tea. Medium (600-1,200 meters) level has a rich, mellow taste and is considered by many connoisseurs to be the finest. Low (below 600 meters) level has a strong flavor and strong color.

Most plantation workers are employed in picking the tea leaves. Mechanical pickers have been tried but are not as efficient as human hands. In plucking the fresh green sprigs, the workers follow the age-old dictum of "one bud, two leaves."

In the factory, the tea is "withered" in dry air and then rolled to release its natural juices. It is then "fermented," an oxidization process. After drying in warm air, it is graded and packed.

The finest grades are whole leaves, which are divided in order of descent into Orange Pekoe, Pekoe and Flowery Pekoe. These are the teas one buys in canisters for brewing in a pot.

Ninety percent of the tea is sold at a weekly tea auction in Colombo, the largest such auction in the world. For decades, Sri Lanka has exported its tea entirely in bulk form. The new thrust, however, is to increase its export value by producing tea bags ready to be dipped into hot water.

Central Mountains Tower Over Jungles and Beaches

On the mango-shaped island of Sri Lanka, beautiful beaches encompass broad plains encircled by lush jungles teeming with wildlife. Within these are magnificent shrines of four of the world's major religions. In the center are peaceful hill stations, tea plantations and tall mountains.

CEYLON TOURIST BOARD

Painting a demon mask (left); stone Buddhas at the Gal Vihara in Polonnaruwa.

Most visits begin at the core of Colombo, known as the Fort. Once surrounded by a wall, it contains the business district and a host of delightful old Victorian buildings, a legacy of British rule. Just east is the Pettah, a teeming Oriental bazaar.

Running south along the shore is the Galle Face promenade with its old cannons and Sunday cricket matches. It hems Buddhist temples, old Dutch churches and a lovely old Moorish palace that serves as a hospital.

The city's most venerable Buddhist monument is the beautiful Kelaniya Raja Maha Vihara. Within its walls is a huge "paddy heap" dagoba (pagoda) dating from the 3rd century B.C. Next to it is a vihara (temple) whose sandstone walls are carved with elephants and dwarfs and whose interior walls are covered in murals.

Jaffna, on the island's northern tip, is the cultural center of the Tamils. For four centuries, until the Portuguese subjugated it in the 17th century, it was an independent Tamil kingdom. It is marked by a superb fortress, numerous Hindu temples like the Naliur Kandaswamy Kovil, and an excellent Archaeological Museum containing exhibits on Tamil life.

Polonnaruwa is a brilliant complex of temples and dagobas that served as Sri Lanka's capital from the 11th to 13th centuries. Sigiriya, due west of Polonnaruwa, is a spectacular fortress perched atop a 200-meter-tall monolith. Built in the 5th century, it is famed for its lovely frescoes of beautiful maidens. Kandy, in the cool hills to the south, is the repository for the Buddha's tooth, which was carried to Sri Lanka by an Orissan princess. The tooth is regarded as the symbol of Sri Lanka's sovereignty and of its ability to survive invaders and colonizers.

Dominant in the 14th century, Kandy is regarded as the residence of the deities who protect the island. It is also the bastion of the island's culture: some of Sri Lanka's most refined arts are still practiced here. At its spectacular 10-day Perahera (procession) each August, elephants, warriors, dancers and the famed Kandyan drummers carry a replica of the Tooth Relic casket through the town streets.

Hill stations in the mountainous central region were developed by colonists as retreats from the summer heat of coastal cities. The most famous is Nuwara Eliya, 1,890 meters above sea level, where the temperature averages 16°C. It offers an 18-hole golf course and quiet walks along jungle tracks.

Few natural landmarks in the world have such a diversity of claimants as Adam's Peak. At the end of a long steep walk is a huge footprint said by the Buddhists to have been left by the Buddha, by the Muslims to be that of Adam, by the Hindus to be the god Siva's, and by Christians to have been imprinted by the apostle Thomas.

In the wildlife parks of the southeast and northwest one can observe 427 kinds of birds and 86 species of mammals, including elephants, leopards, sambars and sloth bears. There are also superb botanical gardens at Peradeniya, Hakgala and Gampaha, and an elephant orphanage at Pinnawela.

Sri Lanka's beautiful beaches include the well-developed Negombo, just north of Colombo; Mount Lavinia, with one of Asia's most famous hotels; and Beruwala with toddy tappers who walk taut ropes stretched between the crowns of palm trees.

Galle is visited as much for its 90-acre fort and 16th century Dutch buildings as for its beach. Koggala, on the south coast, is famed for its fishermen who perch on stilts. Sri Lanka also attracts divers to reefs and wrecks teeming with underwater life.

The island's artistic heritage is displayed in excellent handicrafts. Batiks, demon masks, brass and copperware, Kandyan silverware and jewelry, wood carving, rattan and rush work, linens, laces and pottery can be found at shops in main towns and the Cultural Triangle. In 1966, 18,000 tourists visited the island. At its height in 1982-83, the number climbed to 400,000. Internal strife reduced the total to 186,000 in 1989, but with the return of peace has come a return of tourists. The Ceylon Tourist Board anticipates 250,000 arrivals, who will stay an average of 12.6 nights, in 1990.

Facilities are growing apace, according to P.C.S. Fernando, chairman of the Ceylon Tourist Board. "In 1966, Sri Lanka had only 750 rooms. By 1989, the number was 11,000, which means we can handle about 600,000 tourists per year." Mr. Fernando sees an eventual ceiling of 750,000 to one million visitors per year; more than that would strain the island's resources.

"We also want to attract youths as a means of promoting cultural understanding," says Mr. Fernando. "Seventy million youths traveled around the world in 1988, 17 percent of the total number of tourists.

"We should include Sri Lankan youth in this program. I feel that the problems of the last few years were caused by cultural misunderstandings that might have been alleviated had people known each other better."

The CTB will also promote incentive tours and convention facilities. Colombo's Bandaranaike Memorial International Conference Hall holds 1,500 in its main hall, and the city can provide accommodation ranging from five-star hotels like the Colombo Hilton to renowned old colonial hotels like the Galle Face and Mount Lavinia.

While striving to improve facilities, Sri Lankans have not forgotten the prime reason tourists visit their country. As President Premadasa said in a speech on April 2, "do tourists... want to enjoy the... high rises dotting the city's skyline? Certainly not... they've got bigger and better high rises in their own countries. They come here because they've heard of our great history and heritage... our rites and rituals, flora and fauna, our shrines and ancient ruins."

He has suggested creating village stays where a visitor can learn first-hand of Sri Lankan life and gain a perspective on Asia that few holidays can offer.

This advertising section was written by Steve Van Beek, author of The Arts of Thailand.

OVER 400 INVESTORS FROM 30 COUNTRIES HAVE SET UP INDUSTRIES IN SRI LANKA.

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International Herald Tribune

BUSINESS / FINANCE

** SATURDAY-SUNDAY, APRIL 14-15, 1990

ECONOMIC SCENE

Economist Warns Against Halfway Steps in Hungary

By Peter Passell
New York Times Service

NEW YORK — Hungary's voters have elected a nationalist coalition loosely cast in the image of the Christian Democratic parties of Western Europe. But the new rulers will have to deal with the Communists' economic heritage: two decades of central planning followed by two decades of botched reforms.

The economic strategy of the Democratic Forum, the election winners, is not yet known. But the path of least political resistance is clear: a slow relaxation of socialist controls along with a gradual privatization of publicly owned enterprise.

Such safe, halfway measures could backfire, suggests Janos Kornai, a Harvard economist and author of the forthcoming book "The Road to a Free Economy."

Goulash Communism proved to be an indigestible dish.

Mr. Kornai is in a better position than most to know: As a precocious academic, he helped design the half-free, half-planned economic system that brought Hungary a measure of prosperity in the 1970s but foundered in inefficiency, inflation and debt in the 1980s.

And he managed the delicate task of pushing for more constructive measures without incurring the official wrath of Hungary's rulers.

Mr. Kornai's book makes the case for major economic surgery in one country: Hungary. But his damning analysis of the internal contradictions of market-based socialism seems as applicable to Prague, Moscow and Beijing.

Convinced by 1968 that economic change would not lead to another liberal political heresy, Moscow gave the green light for Hungary's experiment with "goulash Communism."

A lighter touch at the controls by central planners gave state enterprises more discretion to decide what they made and how. Cooperatives, operating side by side with larger state-owned enterprises, added a little glitter to Hungarian shops.

But given the opportunity to simmer, goulash Communism proved to be an indigestible dish.

Central planners, denied the last word on how many tons of X would be shipped to enterprise Y to produce Z, used their power of the purse to reassert authority. The right to buy X, after all, does not mean much without credit to pay the bill.

ENTERPRISE MANAGERS, who were asked to maximize earnings, as with their private counterparts in the West, generally ignored the directive: The greater personal rewards went to those who maximized total employment and wages instead.

Enterprises that could not find markets in the West could usually rely on less fussy customers in Cuba or East Germany or the Soviet Union to take low-quality goods off their hands.

And when investment decisions went irretrievably sour, the bureaucrats in Budapest could usually be counted on for the cash to meet the next payroll.

To Mr. Kornai, one lesson is clear: No matter how they are organized, no matter how their day-to-day operations are insulated from planners and politicians, large-scale state enterprises breed inefficiency and stagnation. He thus favors the privatization of the Hungarian economy, leaving only businesses providing public goods — the post office, for example — in public hands.

The other, far more controversial part of his prescription is to give first priority to curbing inflation. The withdrawal of subsidies and elimination of all price controls are bound to raise prices.

The key is to prevent this first round of inflation from leading to another and another. Should the government respond by sanctioning wage increases in public enterprises, by bailing out faltering companies or by allowing government expenditures to

See HUNGARY, Page 13

East Bloc Featured in U.S. Advertising

By Bruce Horovitz
Los Angeles Times Service

NEW YORK — American companies are jumping on the advertising bandwagon that portrays East European countries as rather happily falling under the magical spell of capitalism.

The latest is General Electric Co., which tried to appeal directly to America's opinion leaders and business executives by airing a commercial on shows like "Meet the Press" and "This Week With David Brinkley" last Sunday morning. The commercial, filmed in Hungary, portrays GE's joint venture to manufacture light bulbs there as something no less historically significant than, say, McDonald's hamburgers being sold near Red Square.

"We're targeting the business executive," said Barbara Parsky, manager of corporate advertising at GE. "The message here is that General Electric continues to undergo global expansion. This is, perhaps, our most dramatic example."

The 30-second commercial opens with a striking shot of late afternoon sunlight reflecting off the Danube River. A young man with a thick accent says, "Freedom's all that matters. Freedom is everything."

Lights seem to appear everywhere in the city as the sun slowly sets. "There's a new light shining over Eastern Europe," says an off-camera announcer, who briefly explains the venture between GE and Tungsram Co. In November, GE purchased $150 million stake in Tungsram that gave it one share more than 50 percent of one of Hungary's largest light-bulb makers.

The commercial continues with a candle-light procession of people crossing a bridge as electric lights illuminate monuments and museums. The spot ends with the familiar slogan, "GE. We bring good things to life," as a little girl lights a candle.

To film the ad, GE spared few expenses. Although the company declined to disclose its production budget, industry executives say that the commercial could have cost nearly $1 million to make. It was created by the New York agency BBDO Worldwide, which also created an ad for PepsiCo Inc. that, aired during the Christmas season, showed people celebrating at the dismantling of the Berlin Wall.

"Pepsi's message was to the consumer. But the GE message is business to business," said Ted Sann, executive creative director at BBDO. "Maybe we have jumped on a bandwagon with these ads. But these are events on the tops of people's minds."

Last October, an ad for Shearson Lehman Hutton Inc., aired during a Monday night professional football game, depicted Communist consumers accepting capitalistic trends. A boy in an unspecified Communist nation is seen skateboarding in a park behind a monument of the Communist Party symbol, the hammer and sickle. And a soldier from an East bloc nation is seen munching a hot dog.

Recently, however, one New York agency brought the whole East European advertising theme into perspective.

That agency, Deutsch Inc., produced an ad for a Swedish furniture maker, Ikea Svenska AB, that lampoons how "hip" the East-bloc themes have become.

In the ad, a snobbish woman is on the phone discussing her upcoming East bloc-theme party. She is ordering a special caterer from Budapest. And she even has requested a cake made to look like the Berlin Wall. Explains the woman to her friend, "Everyone will chip away at it, with their forks."

"We are living in the 'golden age' of capitalism," said Amil Gargano, chairman of the New York agency Ally & Gargano, which created the ad for Shearson.

"These changes are so fundamental and so far-reaching that it is not something that will go away," Mr. Gargano said. "The question is: Who are the companies that will profit from this?"

Not every business is interested in exploiting its East-bloc ties, however. Levi Strauss & Co. has had a manufacturing facility in Hungary for years, but the company said the factory is not about to become the focus of any commercials because most Levi ads are targeted at teenagers.

"This is not to say that teenagers aren't interested in what's happening in Eastern Europe, but we usually go with something much closer to home," said Dan Chew, marketing manager at Levi Strauss.

U.S. Has First Wholesale Price Fall in 7 Months

By Lawrence Malkin
International Herald Tribune

NEW YORK — U.S. wholesale prices receded from their winter highs in March, the government reported Friday, but economists said the data exposed more fundamental inflation pressures that are likely to argue against an easing of credit conditions soon.

Unwinding the erratic statistics of an unseasonable winter helped bring down the Producer Price Index by 0.2 percent, its first decline in seven months, the government said.

But without the volatile food and energy figures, the core rate of inflation for finished goods was 0.3 percent. This figure lies at the low edge of the range where it has been stuck since last year.

"We do not put much emphasis on one month," said William Thomas, an economist at the Bureau of Labor Statistics. "We prefer to wait and see, and the Federal Reserve Board will probably do the same."

There was no significant market reaction, since most exchanges were closed for Good Friday. In thin foreign exchange trading in New York, the dollar closed at 1.6717 Deutsche marks, little changed from 1.6715 DM on Thursday, and at 158.66 yen, up from 158.20.

When markets reopen next week, little reaction is expected, as evidence of stubborn underlying inflation is likely to continue when the consumer price level for March is announced Tuesday.

Wall Street economists did not take the figures as good news.

Charles Lieberman, director of financial market research for Manufacturers Hanover Securities Corp., said he saw "no fundamental change in the underlying inflation pattern." Stephen Roach, senior economist at Morgan Stanley & Co. said he saw "no break whatsoever" in inflation.

Economists said that components of the index gave a further hint of the price pressures in the U.S. economy. The government said capital goods prices rose 0.4 percent in March, up from 0.2 percent in February. Consumer goods rose 0.2 percent, a substantial drop from the 0.8 percent increase in February, when one-time factors boosted prices of tobacco products and autos.

Robert J. Dederick, chief economist at Northern Trust Co. in Chicago, said the report demonstrated the slowdown in growth "has capped inflation but hasn't done anything to reduce it."

In addition, economists noted that the Fed appears to be cautious about an upturn in the economy. In a speech Thursday, the Fed governor John P. LaWare said that the U.S. gross national product's growth "may be as high as 2.3 percent" this year, substantially higher than the 1.7 percent rise most private economists expect. He said inflation could remain as high as 4.5 percent through 1991.

Mr. Roach, a former Fed economist, also said he expected a strong economy, with labor costs up by almost 5 percent over the year and a squeeze on corporate earnings. Discounting forecasts of stagflation, he said, "the risks are upward for the economy," despite a report Thursday that retail sales fell for the second successive month in March and a report Friday that business inventories fell 0.4 percent in February.

Boeing Gives Minor Role to Japan Firms

By Lawrence M. Fisher
New York Times Service

SAN FRANCISCO — Capping months of speculation and rumor, Boeing Co. said Friday that three Japanese aerospace companies will be major suppliers but not equity partners in its proposed new aircraft, the 767X.

The arrangement may help allay concerns that Boeing would be giving away vital aircraft technology to its Japanese partners in return for their investment, but executives of the U.S. company said that was not a major factor in their negotiations.

Some economists had argued that the proposed partnership would give invaluable help to Japan's efforts to become a major player in aerospace, one of the few industries remaining where the United States is a leader.

Under the terms of the agreement signed Thursday, Mitsubishi Heavy Industries Ltd., Kawasaki Heavy Industries Ltd. and Fuji Heavy Industries Ltd. together would share responsibility for providing Boeing with 15 percent to 20 percent of the 767X's airframe.

The three companies already provide about 15 percent of the current 767 aircraft, including fuselage panels and aerodynamic fairings, and they are expected to supply similar items plus some additional airframe structure on the new plane.

Boeing will self-finance the development cost of the proposed 300-seat, twin-engine plane, which has been estimated at about $4 billion.

■ **No Accord on Lumber**

U.S. and Japanese trade negotiators failed Friday to reach an agreement on opening Japan's market to an estimated $2 billion of imported lumber products, United Press International reported from Tokyo.

"We made a great deal of progress, but there are significant differences between our positions," said a U.S. trade official.

Last year, President George Bush, in accordance with the U.S. Omnibus Trade Act, listed forest products, supercomputers and satellites as three areas in which Japan's market is closed to U.S. products.

The two sides were unable to agree on changes in Japan's tariffs, which increase the price of U.S. wood, and building codes, which prohibit the use of wood in most structures of more than two stories.

The seventh round of talks on forest products began Monday and was scheduled to end Tuesday. Despite a three-day extension, officials said they could not find enough common ground to forge an accord.

64% Offered To BTR Bid For Norton

United Press International

BOSTON — BTR PLC said Friday that 64.1 percent of Norton Co.'s stock had been tendered in response to its takeover offer, suggesting the British company would would win a proxy fight if its target holds a stockholders meeting soon.

The British conglomerate also extended the deadline on its $1.64 billion cash offer until April 27, the day after the date originally scheduled for the meeting.

The unsolicited $75-a-share offer, made in March, has been rejected by Norton's board as inadequate.

The 11.8 million shares tendered so far would be enough to allow BTR to take control of the Worcester, Massachusetts, abrasives and industrial products company.

But a BTR spokesman said the company still had not received assurances that two other demands would be met: That Norton would neither activate a poison pill defense nor invoke the terms of a Massachusetts anti-takeover law.

The BTR spokesman added, however, that the number of shares tendered thus far "shows that a

See BTR, Page 13

'House of Nomura' Leans on Muckraking Author

By Karl Schoenberger
Los Angeles Times Service

TOKYO — In a legal tangle that may shed some light on the shadowy world of the Japanese securities industry, Nomura Securities Co. is threatening to file a libel suit in a London court next week against an American author who detailed an alleged history of unethical business dealings involving the company.

Nomura has set a deadline of Thursday for Al Alletzhauser, author of "The House of Nomura — the Rise to Supremacy of the World's Most Powerful Company," and his publisher to withdraw the book and negotiate a payment of damages, Nomura's lawyer said. If that deadline is not met, Nomura will resort to legal action, the lawyer said.

"What they're trying to do is threaten me," Mr. Alletzhauser said in a telephone interview from his London office. "My understanding is that they're very upset about my claims."

"The House of Nomura," the book's dust jacket informs readers, documents Nomura's "stranglehold on Japan's financial markets," "reveals how this frightening concentration of power has come about," and "lays bare the incestuous links between politicians, stockbrokers, bureaucrats and businessmen."

The text is peppered with anecdotes that allege Nomura's involvement in the seamy side of the Japanese securities industry, which traditionally has been policed loosely by regulatory authorities and has been rampant with securities violations.

Until the late 1980s, insider trading as it is known in the United States was not considered unethical in Japan. Nor was it prosecuted under the securities laws, which are modeled after U.S. laws.

Michio Katsumata, a spokesman for Nomura in Tokyo, denied that the brokerage had any complicity in insider trading or share-price manipulation.

Nomura, the largest brokerage and one of the most influential financial institutions in the world, is the dominant force in the Japanese securities industry. On a typical day, it controls as much as 20 percent of all transactions on the Tokyo Stock Exchange. It has 12,000 employees and boasts a list of 5 million domestic customers.

The company is also active in the New York and London markets and plays a critical role in purchasing and trading U.S. government securities.

Shortly after the book was released by Bloomsbury Publishing Ltd. in Britain at the beginning of the year, lawyers for Nomura sent letters to Mr. Alletzhauser and the publisher complaining of "serious and maliciously defamatory statements" in the book and warning of legal action.

John Turnbull, an attorney at the London law firm Linklaters & Paines, retained by Nomura, was not prepared to say which passages in the book were considered defamatory.

Although the allegations raised in print by Mr. Alletzhauser are characterized as common in Tokyo by securities industry sources, they would have to be proved as accurate under British libel law. This is unlike libel cases in the United States, where the burden of proof is on the plaintiff.

"There was nothing special or sensational in the book," said Seijiro Watanabe, a Tokyo lawyer who represents small investors in securities fraud cases. "I suppose it will depend on what kind of evidence the defense can put together."

The book, which topped the best-seller charts in London in mid-February and has sold about 19,000 copies so far, is to be published in the United States and Japan next month. Mr. Alletzhauser said he expects Nomura to try to stop publication of the Japanese-language version. He added that he is negotiating the sale of film rights.

"It'll be a cross between 'Black Rain' and 'Wall Street,'" said Mr. Alletzhauser, 30, a former equity salesman in Tokyo for the James Capel & Co. securities house.

Mr. Alletzhauser traces the origins of the brokerage to a 19th-century money changer, Tokushichi Nomura, and chronicles its growth into a *zaibatsu*, or financial conglomerate, its breakup during World War II, and its reconstruction during the postwar industrial boom, when Japan turned into an economic superpower.

"The book was thoroughly researched," said Mr. Alletzhauser, who is preparing a countersuit he said would make further disclosures about Nomura. "In fact, the major criticism I've heard so far is that I didn't tell

See NOMURA, Page 13

CURRENCY RATES

Cross Rates

April 13

	$	£	D.M.	F.F.	It.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam					Closed				
Brussels(a)					Closed				
Frankfurt					Closed				
London (b)					Closed				
Milan	1,230.50	2,019.60	734.79	218.88	—	653.10	35.527	829.80	7.764
New York(c)					Closed				
Paris					Closed				
Tokyo	158.45	n.a.	94.7	n.a.	n.a.	n.a.	n.a.	n.a.	—
Zurich					Closed				
1 ECU					Closed				
1 SDR					Closed				

Closings in London and Zurich, fixings in other centers. New York rates at 3 P.M.
*a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

April 12

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	4600.3	Fin. markka	3.9755	Mex. peso	2779.01	S. Afr. rand	2.645
Austral. $	1.2854	Greek drac.	162.50	N. Zealand $	1.7256	Soviet ruble*	0.6068
Austr. schil.	11.76	Hong Kong $	7.7965	Norw. krone	6.50	Span. peseta	106.38
Brazil cruz.	42.29	Indian rupee	17.301	Phil. peso	22.35	Swed. krona	6.083
Canadian $	1.1647	Indo. rupiah	1811.00	Port. escudo	148.20	Taiwan $	26.20
Chinese yuan*	4.72	Irish £	0.4256	Saudi riyal	3.7504	Thai baht	25.85
Danish krone	6.379	Israeli shek.	1.96	Sing. $	1.8760	Turkish lira	2468.00
Egypt. pound	2.6232	Kuwaiti dinar	0.2934	S. Kor. won	704.30	UAE dirham	3.6727
		Malay. ring.	2.7285			Venez. boliv.	42.00

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6342	1.6252	1.6168	Canadian dollar	1.1691	1.1743	1.1787
Japanese yen	158.15	157.98	157.80	Swiss franc	1.4843	1.4836	1.4827
Deutsche mark	1.6754	1.6749	1.6749				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

April 12

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	8 1/4-8 3/8	7 7/8-8	9 [illegible]	14 7/8-15	9 [illegible]	7 [illegible]	10 [illegible]	8 [illegible]
2 months	8 [illegible]	8-8 1/8	9 [illegible]	14 7/8-15	9 [illegible]	7 1/4-7 3/8	10 1/4-10 3/8	8 [illegible]
3 months	8 3/8-8 1/2	8 1/8-8 1/4	9 1/8-9 1/4	15 1/8-15 1/4	9 7/8-10	7 3/8-7 1/2	10 3/8-10 1/2	9
6 months	8 1/2-8 5/8	8 1/2-8 5/8	9 [illegible]	15 3/8-15 1/2	9 [illegible]-10 [illegible]	7 1/2-7 5/8	10 1/2-10 5/8	9 1/4
1 year	8 3/4-8 7/8	8 [illegible]-8 [illegible]	9-9 1/8	15 [illegible]-15 [illegible]	10 [illegible]-10 [illegible]	7 5/8-7 3/4	10 3/4-10 7/8	9 [illegible]

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

April 13

United States	Close	Prev.
Discount rate	7.00	7.00
Prime rate	10.00	10.00
Federal funds	Clsd.	8 3/16
Com paper 90-179 days	—	8.20
3-month Treasury bills	—	7.73
6-month Treasury bills	—	7 3/4
1-year Treasury bills	—	7.68
30-year Treasury bond	—	99.80
2-month CD's	—	7.95
3-month CD's	—	7.95
Japan		
Discount rate	5 1/4	5 1/4
Call money	6 11/16	6 15/16
2-month interbank	N.A	—
3-month interbank	7 5/16	7 5/16
West Germany		
Discount rate	6.00	6.00
Lombard rate	8.00	8.00
Call money	Clsd.	7.85
1-month interbank	—	7.90
3-month interbank	—	8 1/4
6-month interbank	—	8.45
Britain		
Bank base rate	15.00	15.00
Call money	Clsd.	14 13/16
3-month interbank	—	15 1/4
6-month interbank	—	15 7/16
France		
Intervention rate	9 1/4	9 1/4
Call money	Clsd.	10 1/8
1-month interbank	—	9 3/4
3-month interbank	—	9 15/16
6-month interbank	—	10.00

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

April 12

1 month	8 [illegible] - 8 [illegible]
2 months	8 [illegible] - 8 [illegible]
3 months	8 3/8 - 8 1/2
6 months	8 1/2 - 8 5/8
1 year	8 3/4 - 8 7/8

Source: Reuters.

U.S. Money Market Funds

April 12

Merrill Lynch Ready Assets
30-day average yield: 7.76
Telerate Interest Rate Index: 8.210

Source: Merrill Lynch, Telerate.

GOLD

April 12

	A.M.	P.M.	Ch'ge
Hong Kong	374.95	375.25	+ 1.00
Luxembourg	375.35	—	+ 1.10
Paris (12.5 kilo)	376.81	376.81	+ 1.74
Zurich	375.15	375.65	+ 0.65
London	375.25	375.50	+ 1.00
New York	—	375.15	+ 0.40

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.

Source: Reuters.

Bright High-Tech Prospects

Reuters

NEW YORK — International Business Machines Corp. is expected to report flat to fractionally higher first-quarter earnings on Monday, which could help sustain a recent rise in technology stocks, analysts said.

"IBM's earnings could give a sparkle to high-tech," one trader said. "Valuations are still historically low."

But while the first-quarter earnings of the world's largest computer maker may reflect some renewed growth in the U.S. industry, analysts said Digital Equipment Corp. and Unisys Corp. could report losses.

Wall Street estimates on IBM's first-quarter earnings average $1.60 a share, which would be off one cent from the year-earlier quarter. Several analysts, however, said that if IBM's results deviate from the prediction, they are likely to exceed expectations.

IBM's earnings stumbled in the third quarter of 1989, and the company took a massive $2.42 billion restructuring charge in the fourth quarter. The charge offset otherwise robust year-end results.

Computer stocks, which have generally outperformed the market this year, were shaken last week when Tandem Computer Inc., Businessland Inc., Oracle Systems Corp. and Legent Corp. each announced they expect earnings shortfalls.

"People have been so worried in general they have been quick to attribute a single company's problems to a whole industry," said Rick Martin, an analyst at Prudential-Bache Securities Inc.

But when Motorola Inc. on Tuesday reported record earnings for the first quarter of 98 cents a share, up from 95 cents a year ago and Wall Street expectations of about 90 cents a share, the news helped prompt a moderate two-day rally among computer stocks.

Apple Computer Inc. also said it expects quarterly earnings to be above expectations.

Analysts said IBM has indicated its first-quarter business, especially in the long sluggish U.S. market, has been positive. The company told analysts last week that it has has shipped every 3090 mainframe it could build this quarter.

Stephen Cohen, analyst at SoundView Financial Group of Stamford, Connecticut, said IBM also had back orders into the second quarter for its new 3390 disk drives. He added that sales of its AS/400 midrange computer have picked up while momentum has continued in personal computers, where it gained market share in 1989.

But Mr. Cohen, who said he expected IBM to earn $1.75 a share in the quarter, noted that the year-earlier quarter was troubled by mainframe problems and sluggish AS/400 business.

"IBM used to do $2 [a share] in this quarter," he said.

Mr. Martin of Prudential-Bache said there appears to be an upturn for the industry, with the U.S. Commerce Department reporting six straight months of improving order rates after 12 weak months.

"The data has turned substantially," the Prudential-Bache analyst said. "Finally, after 18 months of miserable performance, the U.S. has started to slowly turn around."

Reflecting the improvement in the U.S. market Intel Corp. said on Thursday that its first-quarter profit jumped 48 percent. Intel, which makes chips for many U.S. computer companies, cited demand for its 32-bit microprocessors.

Intel first-quarter profit was $144 million, or 73 cents a share, up from $97 million, or 52 cents a share, in the like 1989 period.

Wall Street expects slim profits at Digital, which said it could post the first quarterly loss in the company's 32-year history, and a small loss at Unisys. Both companies have undertaken restructuring activities resulting in major job cutbacks that may help long-term profitability.

In telecommunications, analysts said they expected regional and local telephone companies to continue to expand nonregulated services, while pricing pressure seems to have eased at long-distance companies.

American Telephone & Telegraph Co., whose share of the long distance market has fallen to less than 70 percent from 90 percent in 1984, has indicated it wants to stem that decline. Its nearest rival, MCI Communications Corp., said Monday it had agreed to buy Telecom USA Inc., which it expects to add about 1.5 percentage points to its current 12 percent of the market.

High-Tech Earnings

Selected estimates for first quarter of 1990 compared with actual operating earnings for the first three months of 1989. Compiled by Institutional Brokers' estimate Service.

Company	1990	1989
IBM	$1.60	$1.61
DEC	0.43	2.04
Hewlett	0.85	0.86
Unisys	(0.09)	0.17
AT&T	0.66	0.55
MCI	0.58	0.36
Utd Telecom.	0.64	0.54

Source: Reuters.

DEAN WITTER CAPITAL MARKETS
Managed Foreign Currency Program
1989 PERFORMANCE (6 MONTHS TO DECEMBER 31st 1989)
+20%
1990 PERFORMANCE FOR STARTING EQUITY OF
$20,000 JANUARY 1st 1990
HAS BECOME
$21,356 APRIL 1st 1990
ALL RESULTS ARE AFTER COMMISSIONS AND EXCLUDE INTEREST EARNED.
THERE IS NO MANAGEMENT FEE. NEXT FIGURES PUBLISHED 15 MAY 1990.
PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE
Managed by K. R. Rizk
First Vice President, Dean Witter Capital Markets
Contact us for further details on 01-480 8500
1 Appold Street, Broadgate 5, London EC2A 2AA
Telephone 01-480 8500 Fax 01-247 0925
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DEAN WITTER
Sears Roebuck & Co.
Dean Witter Capital Markets is a member of T.S.A.

SHEARSON LEHMAN HUTTON
An American Express company
THE MANAGED CURRENCIES PROGRAM ONE
YEAR 1983 + 14.0%
YEAR 1984 - 9.1%
YEAR 1985 + 235.2%
YEAR 1986 + 21.1%
YEAR 1987 + 89.0%
YEAR 1988 + 217.7%
YEAR 1989 + 47.9%
PERFORMANCE RESULT FOR BEGINNING EQUITY OF
$ 20,000 JANUARY 1st 1990
HAS BECOME
$ 16,995 April, 1st, 1990
AFTER ALL COMMISSIONS
NEXT RESULT IN MAY 15th, 1990 ISSUE.
THERE IS NO MANAGEMENT FEE.
PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.
Managed by Olivier Delafon
Senior Vice President International
SHEARSON LEHMAN HUTTON
8, rue Bellini
75116 PARIS - FRANCE
Tel.: (33-1)47-27-20-21
Telex: 640013
Fax: (33-1) 47270471.
(33-1) 47270443

SHEARSON LEHMAN HUTTON
An American Express company
THE MANAGED CURRENCIES PROGRAM TWO
YEAR 1989 + 50.6%
PERFORMANCE RESULT FOR BEGINNING EQUITY OF
$ 20,000 JANUARY 1st 1990
HAS BECOME
$ 13,983 April, 1st, 1990
AFTER ALL COMMISSIONS
NEXT RESULT IN MAY 15th, 1990 ISSUE.
THERE IS NO MANAGEMENT FEE.
PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.
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(33-1) 47270443

DREYFUS AMERICA FUND
SICAV
2, Boulevard Royal
L-2953 LUXEMBOURG
R.C. Luxembourg B-22572

NOTICE

is hereby given that an extraordinary general meeting of shareholders will be held at the registered office in Luxembourg on April 23, 1990 at 2:30 p.m. in order to resolve about the following:

—**Amendment of the articles, including amendment of Article 3 to insert the word "transferable" before the word "securities" in the first sentence and to replace the reference to the law of August 25, 1983 by that to the law of March 30, 1988 in the second paragraph, as well as other amendments to articles 7, 10, 11, 12, 15, 19, 21, 23, 24, 25 and to the last article required or permitted by the law of March 30, 1988.**

—**Any other amendments required by any supervisory authority and/or deemed necessary by the legal adviser of the Corporation.**

The Shareholders are advised that a quorum of one half of the shares outstanding is required for the holding of the meeting and resolutions will be passed by an affirmative vote of two-thirds of the shares present or represented at such meeting.

In order to attend the meeting of April 23, 1990 the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Company or with Banque Internationale à Luxembourg, 2 boulevard Royal, L-2953 Luxembourg.

The Board of Directors.

German Bank Data Still Poor

Reuters

FRANKFURT — West German banks have just finished reporting 1989 profits, but some analysts are still wondering what their real earnings were.

Although West German banks have begun to reveal more earnings data in recent years, analysts say the concerns are still far from generous with information. This has led to wide deviations in estimates of key data, such as earnings per share.

"I would say that as an analyst, one could wish for more information," said Georg Klein-Siebenbuergen of Bank in Liechtenstein GmbH.

West German banks are likely to introduce more detailed reports as they begin tapping foreign markets for capital. Banks will also have to divulge more data as uniform European Community reporting standards are introduced, bankers said.

German banks now publish only partial operating profits. These comprise interest and commission earnings less costs but exclude results from own-account trading, which may amount to as much as one-quarter of total operating profits.

The banks do not usually give precise data for total operating profit, which include own-account trade. Instead, banks report only a percentage rise in total profits compared with the previous year.

West Germany's three big banks agree this method of reporting profits is far from efficient. But they have not settled on a uniform reporting method, which they say is needed to avoid giving data which would lead to false comparisons.

"Comparing these numbers is very difficult," said Wolfgang Röller, management board head at Dresdner Bank AG.

Analysts said, for example, a rise in group total operating profit at Dresdner, the second largest of the Big Three, did not reflect write-downs on securities traded on its own account.

West German bankers say only two major banks, Deutsche Bank AG, West Germany's largest, and Bayerische Hypotheken & Wechsel-Bank AG, subtracted the write-downs from holdings in their own accounts before computing total profits.

The Deutsche management board chairman, Hilmar Kopper, said in March that total group operating profit rose by 22.6 percent in 1989. He said estimates of a total profit figure of about 4.5 billion Deutsche marks ($2.68 billion) were not far off.

Analysts say Deutsche's total operating profit could have been as high as 4.7 billion DM in 1989.

Walter Seipp, the Commerzbank AG management chairman, said last month that 1989 that total group operating profit was close to 1.30 billion DM, roughly the same as in 1988.

Analysts said Deutsche and Commerzbank had become more open about reporting results. Dresdner had until recently lagged, they said.

German banks are likely to give more details about vast industrial holdings to meet requirements for foreign listings. This could make it easier to compute banks' asset value, now obscured by large hidden reserves, analysts said.

REQUEST FOR PROPOSALS

THE PORT AUTHORITY OF NY & NJ

DEVELOPMENT OF RESIDENTIAL BUILDINGS ON TWO PARCELS IN HOBOKEN, NEW JERSEY

***THE WATERFRONT AT HOBOKEN* PARCELS 7 & 8**

THE WATERFRONT AT HOBOKEN is a joint project of The Port Authority of New York and New Jersey and The City of Hoboken to redevelop a portion of the City's southern waterfront for mixed use purposes. The site is owned by the City and leased to the Port Authority which is seeking to enter into long term ground subleases with developers for individual parcels within the site. All construction will be consistent with The City of Hoboken's approved Redevelopment Plan and Design Guidelines.

The Port Authority is pleased to make the first Request for Proposals (RFP) for the residential development of parcels 7 & 8 at the northern end of the development site now known as *THE WATERFRONT AT HOBOKEN*. The parcels overlook the Hudson River and the Manhattan skyline. Parcels 7 & 8 are bounded by the existent River Street on the West, the future Marina Drive on the East, Fourth Street to the North and Third Street to the South. Parcels 7 & 8 consist of approximately 45,580 square feet and 43,000 square feet of open area respectively.

Developers are invited to submit proposals for the development of market rate residential buildings containing cooperative, condominium or horizontal property regime units on one or both sites. Each building will contain approximately 250,000 s.f. of gross floor area, exclusive of parking.

The RFP is available by mail or in person from the Port Authority. Proposals must be submitted by 3:00 p.m., August 9, 1990. All communications regarding the RFP should be directed to:

THE WATERFRONT AT HOBOKEN
Attention: Lona Mayer
The Port Authority of New York & New Jersey
Five Marine View Plaza - Room 112
Hoboken, New Jersey 07030
Telephone: (201) 963-7836
FAX: (201) 420-0467

TRANS EUROPE FUND N.V.
Amsterdam

Shareholders are invited to attend the Annual General Meeting to be held on Wednesday, 2 May at 14:30 hours at the head office of the Algemene Bank Nederland N.V., Vijzelstraat 32, Amsterdam.

AGENDA

1. Opening
2. Report of the Management for the financial year 1989 and report of the Supervisory Board.
3. Adoption of the Annual Accounts for the financial year 1989.
4. Approval of destination of income.
5. Any other business

The respective documents are available at the office of the Company, Noorderstraat 6, Amsterdam and at the Algemene Bank Nederland N.V. or Banque de Neuflize Schlumberger et Mallet.

Holders of bearer shares wishing to attend the General Meeting must deposit their shares ultimately on Wednesday April 25, 1990 with the Algemene Bank Nederland N.V. or with Banque de Neuflize, Schlumberger, Mallet, Paris. A deposit certificate will be issued to such shareholders, which, upon surrender, will entitle them to attend the meeting and cast their vote.

Holders of shares registered with the Company in its shareholder's register must inform the Managing Director in writing at least four days prior to the meeting that they wish to attend the meeting in person or by proxy.

Furthermore the annual report for 1989 can be obtained free of charge at ABN-de Neuflize International Investment Advisory Company B.V., Noorderstraat 6, 1017 TV Amsterdam, The Netherlands.

Amsterdam, April 12, 1990.

ABN-de Neuflize International
Investment Advisory Company B.V.
(Managing director)

BNP Urges 2 Gallimards To Sell 25% Of Publisher

International Herald Tribune

PARIS — Banque Nationale de Paris, the state-owned bank that is seeking to halt the feud at Editions Gallimard and shore up management, has urged two members of the founding family to sell their 25 percent shareholding to buyers BNP would find.

BNP last week bought the 12.5 percent stake in the publisher owned by Isabelle Gallimard. On Thursday, the bank said it had offered to place the holdings of her brother and sister, Christian and Françoise, who have 12.5 percent each. Reuters quoted a bank official, Bernard Gaucher-Piola, as saying that neither had responded.

The French newspaper Le Monde in its weekend edition quoted Mr. Gaucher-Piola as saying Antoine Gallimard, the chief executive, would have to approve any potential purchaser of the 25 percent from his brother and sister.

The bank said it was acting to fend off predators and secure Antoine's control over the company. He has 33.5 percent of the stock and has been able to count on support from an 11 percent interest held by the siblings' father, Claude Gallimard, and 18 percent held by friends.

But last month, Christian joined Françoise in bringing legal action that challenges Antoine's control.

A French business publication, La Vie Française, reported in its latest edition that the office of President François Mitterrand had instructed BNP to get involved in the Gallimard affair after some of the publishing house's most distinguished authors threatened to leave if Gallimard changed hands.

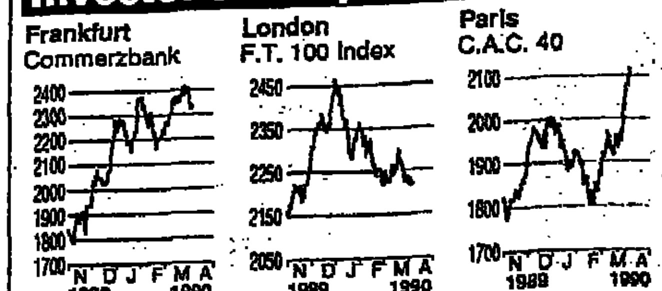
The French construction and media giant Bouygues SA has said it is interested in buying into Gallimard. But Mr. Gaucher-Piola, asked about Bouygues's ambitions, told Reuters on Thursday: "Our answer is still no. That's all over."

Quoted by Le Monde, Mr. Gaucher-Piola also denied having "been subjected to any political pressure" to act.

The decade-long feud burst into the open in January, when Françoise offered to sell out on the basis of an estimation by the investment banker Henry Ansbacher Inc. that valued Gallimard at 1.8 billion francs ($320 million).

But Mr. Gaucher-Piola said BNP was seeking buyers for Françoise's and Christian's stakes at a price that would value the entire company at about half that amount, or 900 million francs.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS General	Closed	196.30	-
Brussels	Stock Index	Closed	6133.38	-
Frankfurt	Commerzbank	Closed	2340.80	-
Frankfurt	DAX	Closed	1918.17	-
Helsinki	UNITAS	Closed	N.A.	-
London	Financial Times 30	Closed	1741.00	-
London	FT-SE 100	Closed	2222.10	-
Madrid	General Index	Closed.	260.15	-
Milan	MIB	1025.00	1011.00	+1.38
Paris	CAC 40	Closed	2116.66	-
Stockholm	Affaersvaerlden	Closed	1118.10	-
Zurich	SBS	Closed	622.80	-

Source: AFP — International Herald Tribune

Générale Stock Buoyed By Profit Expectations

Reuters

BRUSSELS — Analysts expect Société Générale de Belgique to unveil on Tuesday a buoyant 1989 net profit amid speculation that the Italian businessman Carlo De Benedetti is about to sell his remaining 15 percent stake.

Générale's share price has firmed in the last two days on market optimism about 1989 results and talk that Générale itself, flush with cash, might be ready to buy some of Mr. De Benedetti's stake to support its stock price.

This also has helped shares of France's Compagnie Financière de Suez, Générale's main shareholder.

On Thursday, Générale shares closed at 3,350 Belgian francs ($96.6 million), up from Wednesday's 3,280. Shares of Suez rose to 487.70 French francs ($86.84) on the Paris Bourse from 487 francs. Both exchanges were closed Friday.

One London-based analyst said that the market expected Mr. De Benedetti to sell his stake soon.

A sale would close the book on an extraordinary battle two years ago for control of Générale, which has business interests throughout the Belgian economy. Mr. De Benedetti, making a hostile bid for the company, argued that it badly needed a restructuring.

With his allies, Mr. De Benedetti acquired about 45 percent of the Belgian concern. But they eventually conceded defeat to a group led by Suez, which purchased part of their stake.

Générale's chairman, Etienne Davignon, has said that the Italian businessman could sell his remaining shares sometime this year, but he has not indicated whether the company would be willing to buy them.

Much of the restructuring Mr. De Benedetti wanted to see at Générale is under way, rewarding the holding company with a string of good results by its units.

"We think the profit result will be between 18 and 20 billion Belgian francs," said Geoffroy Vermeire, analyst with Antwerp stockbroker Smeets Verbaet & Co.

This would surpass a forecast last month by Générale's managing director, Hervé de Carmoy, that 1989 consolidated net profit before extraordinary items would rise around 20 percent, to 15 billion francs.

Générale's merger of its unprofitable engineering concern, ACEC, with its metals unit, Union Minière, has paid off handsomely. The company this week reported consolidated net profit of 19.87 billion francs.

Several other companies in which Générale has a stake have posted healthy profits. These include: Groupe AG, the insurer; CBR, a cement maker; Gechem, chemicals unit; Arbed SA, a steelmaker; and CMB, a shipper.

ADVERTISEMENT

INTERNATIONAL FUNDS April 13th, 1990

Quotations supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly

ABN BANK I.D.M, P.O. Box 449, Amsterdam
(w) ABN-Aandelenfonds FL 76.20
(w) ABN-Beleggingsfds Ned. FL 60.00
(w) Aldollar $ 21.60
(w) Alrenta FL 153.80
(w) America-Fund (I.E) $ 158.40
(w) Asian Tigers Fund $ 32.20
(w) LDC Risk Inv.fund $ 1020.76
(w) Trans Europe Fund FL 83.50
(w) Trans Europe Fund $ 43.85
AIG FUND MANAGEMENT LTD.
(d) AIG Amer. Eq. Trust $ 23.82
AL-MAL BANK LIMITED.
(w) Investment Units $ 101.52
(w) Currency Units $ 107.51
ALPHA ASSET MANAGEMENT LTD.
(m) Alpha Arbitrage Fund $ 244.91
(m) Alpha Futures Fund Ltd. $ 118.00
(m) Alpha Global Fund $ 606.11
(m) Alpha Hedge Fund $ 322.75
(m) Alpha Pacific Fund Ltd. $ 259.48
(m) Curran-Alpha Hlth Care Fd. $ 246.54
(m) Nicholas-Applegate Hea Fd $ 103.41
(w) Heisei Japan Fund $ 15975.00
(w) Nicholas-Applegate Auralig. $ 140.72
BANK JULIUS BAER & CO. Ltd.
(d) Baerbond SF 888.00
(d) Conbar SF 1658.00
(d) Equibaer America $ 1783.00
(d) Equibaer Europe SF 1648.00
(d) Equibaer Pacific SF 1129.00
(d) Stockbar SF 2600.00
(d) SFR-BAER SF 946.00
(d) Swissbar SF 2218.00
BA GATEWAY FUND
(b) Belgium Fixed Income BFr 9,833
(b) Germany Fixed Income DM 97.26
(b) Netherlands Fixed Income FL 98.44
(b) US Dollar Fixed Income US$ 101.49
(b) Japan Equity US$ 75.39
(b) Pacific Equity US$ 95.36
(b) Int'l Portfolio 'A' US$ 99.25
(b) Int'l Portfolio 'B' ECU 97.58
BAII MULTICURRENCY
(r) Multicurrency US$ $ 1,263.55
(r) Multicurrency Ecu ECU 1,160.90
(r) Multicurrency Yen Y 261,564.00
(r) Multicurrency FFR FF 11,068.44
BNP INTERFUNDS
BNP LUXEMBOURG
(w) INTERBOND FUND. $ 197.48
(w) INTERBELGIAN. FB 38,992
(w) INTERECU FUND 'A' ECU 244.60
(w) INTERECU FUND 'B' ECU 1023.43
INTER CASH
(t) France Securite. FF 12,249.45
(t) France Monetaire. FF 10,525.43
(t) ECU ECU 1,357.42
(t) US$ $ 1,047.04
(t) DM DM 2,087.35
(t) GBP £ 1,025.51
(t) FRF FF 14,269.44
(t) France Capital. FF 11,471.42
INTER OPTIMUM
(w) BEF/LUF FB 70,461.80
(w) Multidevises DM DM 1,979.07
(w) US$ $ 983.86
(w) FRF FF 10,327.77
INTER STRATEGIE
(w) France. FF 10,796.42
(w) Europe du Nord. £ 1001.52
(w) Europe du Centre. DM 2,412.34
(w) Europe du Sud. ECU 1,027.60
(w) Japon. YEN 136,346.00
(w) Amerique du Nord $ 1,020.75
(w) Sud-Est Asiatique. $ 987.91
BNP JERSEY
INTER CURRENCY
(w) US$ $ 11.4211
(w) DM DM 31.9864
(w) GBP £ 11.7221
(w) International Managed. $ 11.2237
INTER EQUITY
(w) French Offer. $ 19.09
(w) Pacific Offer. $ 22.52
(w) North American Offer. $ 11.95
(w) European Class. $ 12.17
(w) Australia Class. $ 9.65
BANQUE BELGE ASSET MGMT FUND
Share Distributor Guernsey 0481 26614
(w) Int'l Equity Fund (Sicav) $ 11.39
(w) Int'l Bond Fund (Sicav) $ 10.76
BANQUE INDOSUEZ
(w) Asian Growth Fund $ 35.19
(w) Asian Income Fund $ 8.94
(m) Dual Futures Fd. Class A Units $ 102.39
(m) Dual Futures Fd. Class B Units $ 102.13
(w) Diverbond SF 75.60
(w) The Dragon Fund Sicav $ [illegible]
(w) FIF Internat.Switzerland SF 97.23
(w) FIF-Internat. Div.A $ 19.69
(w) FIF-Internat. Div.B $ 20.47
(w) FIF Internat.America $ 15.94
(w) FIF Internat.Pacific $ 46.90
(w) FIF Internat.Europe $ 31.87
(w) FIF Internat.Japan Y 1,093.00
(w) FIF Int'lS'pore+Malaysia SG$ 9.26
(w) FIF Int. Nat. Res. A $ 11.94
(w) FIF Int. Nat. Res. B $ 11.94
(w) France International FF 96.45
(w) France Blue chips No 1 FF 4467.63
(m) Galaxy Futures Fd Ltd $ 112.69
(w) Gestion Selective FF 4,377.87
(w) Indosuez Multibonds Div.A $ 129.26
(w) Indosuez Multibonds Div.B $ 287.97
(w) Indosuez Multibonds US$ $ 107.41
(w) Indosuez Multibonds YEN Y 10,139.00
(w) Indosuez Multibonds DM DM 102.91
(w) IPNA-3 $ 1720.00
(w) Malacca Fund $ 16.73
(w) Manila Fund $ 9.04
(w) The Siam Fund $ 25.19
(w) Pacific Gold Fund $ 12.31
BANQUE PRIVEE E. DE ROTHSCHILD
(w) Daiwa Capital E. Fund $ 1006.15
(w) Daiwa LCF Rothschild $ 1062.24
(w) Ecu D'Or ECU 88.41
(w) Hispano Int'l Fund ECU 10.64
(b) Pri-Tech $ 1184.14
(b) Source Slow $ 11.50
BANQUE E. DE ROTHSCHILD LUX. SA
(b) Cursitor BP Fixed Inc.Fund DM104.70
(b) Cursitor BP General Fund DM130.03
(b) Eagle Fund LF 9231.00
(d) Europe Japan Fund $ 10.16
(b) Governm. Sec. Funds $ 69.86
(w) Leicom $ 2692.77
(b) Opportunities Fund $ 914.11
(b) Prifirst $ 547.90
(b) Prirop fund DM 51.68
(w) Rente Plus BF 5318.00
(t) Select. Horizon Dev. FF 54953.76
(t) Select. Horizon FF FF 59226.48
(b) Star Conv.Fund FL FL 9440.00
(b) Star Conv.Fund USD $ 99.27
BANQUE SCANDINAVE EN SUISSE-GENEVA
(w) BSS Bond Fund SF 76.88
(w) BSS Intelsec. SF 1723.26
(w) BSS Int'l Bond $ 1.225
(w) BSS Int'l Equity $ 2.25
BROADGATE INTERNATIONAL FUND
(d) $ Money Market $ 13.16
(d) Non-$ Money Market DM 31.73
(d) $ Bond $ 13.48
(d) Non-$ Bond DM 29.63
(d) European Equities £ 10.05
(d) Global Equity $ 17.07
(d) Global Bond $ 13.74
(d) Global Bond & Equity $ 14.63
(d) Pacific Equities $ 10.86
(d) Prec. Mets/Min. Secs $ 6.47
B.W MANAGED ASSETS CY, SICAV
(t) Global Bond Fund ECU 10.17
(t) European Securities Fund ECU 13.88
(t) French Securities Fund FF 134.39
(t) North American Secu.Fund $ 11.98
(t) Pacific Basin Secu. Fund $ 8.72
CAISSE CENTRALE DES BANQUES POP.
(d) Fructilux-Obl.FSES FF 5,964.41
(d) Fructilux-Obl.Euro ECU 1,106.06
(d) Fructilux-Act.Fses FF 8,178.21
(d) Fructilux-Act.Euro ECU 1,305.90
(d) Fructilux-Tresorier FF 6,058.44
CALLANDER
(w) Callander Emer. Gr. $ 109.98
(w) Callander F-Asset $ 98.08
(w) Callander F-Austria AS 1,788.60
(w) Callander F-Spanish Ptas 8,586
(w) Callander Swiss Gr. SF 148.95
CAPITAL INTERNATIONAL
(w) Capital Int'l Fund $ 90.26
(w) Capital Italia SA $ 39.40
CCF - GAMMA
(w) CM Actibonds $ 34.93
(w) CM Global Growth $ 10.55
(w) Elysees Court Terme FF 60,593.17
(w) Elysees Long Terme FF 55,987.48
(w) Elysees Monetaire FF 63,034.41
(w) EMF Sterlings (A & B) £ 530.35
(w) EMF Dutch Gulden (A&B) FL 1014.96
(w) EMF D-Mark (A&B) DM 990.76
(w) EMF Ecu (A & B) ECU 1,052.29
(w) EMF US Dollar (A & B) $ 1,094.27
(w) EMF Yen (A & B) YEN 99,496.00
(d) Europe Prestige Fund A ECU 10.45
(d) Europe Prestige Fund B ECU 12.29
(w) European Smlr Cos. Fd.A ECU 13.42
(w) European Smlr Comp.Fd.B ECU 13.42
CDC INTERNATIONAL
(w) CFI Court Terme FF 123,562.39
(w) CFI Long Terme FF1080,369.86
CIC GROUP
(d) Oblicic Monetaire FF 12046.43
(d) Oblicic Court Terme FF 12116.24
CITICORP INVESTMENT BANK (Lux.)
POB 1373 Luxembourg Tel. 477.95.71
(d) Citicurrencies USD $ 1365.47
(d) Citicurrencies Managed $ 111.13
(d) Citinvest Ecu Income ECU 1334.22
(d) Citinvest Manag. Growth $ 1210.34
(d) Citi.Mang.Growth Euro ECU 1051.23
(d) Citinvest Selector $ 907.58
(d) Citinvest Guardian $ $ 1082.81
(d) Citinvest Guard. Euro ECU 1060.38
(d) Citiport N.A Equity $ 148.66
(d) Citiport Jap. Equity Yen 9,470.00
(d) Citiport UK Equity £ 114.09
(d) Citiport S.Asian Eq. $ 130.05
(d) Citiport Cont.Euro. Eq. ECU 153.41
(d) Citiport N.A.S Bond $ 114.18
(d) Citiport Euro Bond ECU 103.05
(d) Citiport AS.Pac.Bd. YEN 10,798.00
CITITRUST
(w) US. $ Equities $ 208.92131
(w) US. $ Bonds $ 12.41617
(w) US. $ Money Market $ 13.12010
(w) Citiland $ 947.96969
(w) Global Equities. $ 9.27000
(w) Global Money Market. $ 12.14000
(w) Global Bonds. $ 11.52000
(w) C.Croissance Fr.Suisse SF 2048.44
COMPASS INTL HOLDINGS Ltd.
POB 455, Jersey 0534 27267
(w) Bond:Dollar Medium Term $ 10.73
(w) Bond:Ecu Multicurrency. ECU 10.01
(w) Equity:United Kingdom £ 9.68
CREDIT SUISSE (ISSUE PRICES)
(d) CSF Bonds SF 74.50
(d) Bond Valor Swf SF 92.95
(d) Bond Valor US-DOLLAR $ 120.12
(d) Bond Valor D-mark DM 101.58
(d) Bond Valor Yen Y 9,998.00
(d) Bond Valor £ Sterling £ 88.44
(d) Convert Valor Swf SF 144.95
(d) Conv. Valor US-DOLLAR $ 179.28
(d) CSF International SF 132.25
(d) Actions Suisses SF 576.00
(d) Euros Valor SF 223.75
(d) Energie-Valor SF 143.25
(d) Conssec SF 577.00
(d) Ussec SF 740.00
(d) Pacific-Valor SF 152.75
(d) CS Eu. Blue Chips A DM 263.04
(d) CS Eu. Blue Chips B DM 232.25
(d) CS Gold Valor $ 157.91
(d) CS Ecu Bond A ECU 94.51
(d) CS Ecu Bond B ECU 116.99
(d) CS Europa Bond 'A' DM 231.54
(d) CS Europa Bond 'B' DM 253.30
(d) CS Gulden Bond A FL 98.47
(d) CS Gulden Bond B FL 109.68
(d) CS Hispano Iberia Fd 'A' PTS 24,141.000
(d) CS Hispano Iberia Fd 'B' PTS 334,370
(d) CS Prime Bond 'A' DM 85.90
(d) CS Prime Bond 'B' DM 97.16
(d) CS Short-T. Bd DM A DM 94.82
(d) CS Short-T. Bd DM B DM 111.46
(d) CS Short-T. Bd $ A $ 98.45
(d) CS Short-T. Bd $ B $ 120.08
(d) CS Money Market Fund $ 1492.14
(d) CS Money Market Fund DM 1284.28
(d) CS Money Market Fund £ 1628.15
(d) CS Money Market Fd Yen Y 119,474.00
(d) CS Tiger Fund $ 555.69
DIT INVESTMENT FFM
+(d) Concentra DM 53.41
+(d) Int'l Rentenfond DM 69.45
DREXEL BURNHAM LAMBERT INC
Winchester House, 77 London Wall
LONDON EC2 (01 9209797)
(w) Finsbury Group Ltd $ 128.82
(w) Winchester Capital $ 100.10
(w) Winchester Holdings FF 158.28
(w) Winchester Holdings $ 15.50
(w) Winc.Reserv.MultiGvBd. ECU 11.68
(w) Worldwide Securities $ 36.79
(w) Worldwide Special $ 858.44
(m) Winch Ful.Diversified $ 16.02
(m) Winch Ful.Orion Series $ 18.80
(m) Winchester Frontier $ 199.77
(w) Winchester Recovery Ltd £ 6.43
EBC TRUST CO.(JERSEY) LTD.
1-3 Seale St.,St. Helier;0534-36331
EBC AMRO TRADED CURRENCY FUND.
@(d) Inc.: Bid. $ 13.72 Offer. $ 14.141*
@(d) Cap.: Bid. $ 21.41 Offer. $ 22.062
INTERNATIONAL INCOME FUND
(d) Short Term 'A' (Accum) $ 1.1410
(d) Short Term 'A' (Distr) $ 0.7412
(d) Short Term 'B' (Accum) $ 1.4446
(d) Short Term 'B' (Distr) $ 1.0296
(w) Long Term $ 31.9401
ELDERS EUROPE - Guernsey - (0481) 26268
(m) Elders Eur.Futures Fund $ 9441.99
ELDERS SECURITIES INC.
W. Rotter, (212) 573-0440
(d) EFF $ 304.14
(d) ESI $ 108.75
(d) ESP $ 148.51
(d) EMR $ 104.86
ELDERS SWITZ.(038) 25 17 25
(w) Elders Int Bid SF 102.50 Offer SF 108.75
(w) Elders Aus Bid AS 87.50 Offer A$ 92.75
EQUIFLEX LIMITED
(w) Europe A FL 11.53
(w) North America A FL 9.46
(w) UK Equities £ 10.13
(w) UK Small Co. £ 8.36
EURO PACIFIC ADVISERS Ltd.
(w) Meteore Y 123,763.00
(w) Pacific Horizon Invt. Fd $ 2141.00
FOREIGN & COLONIAL MGT. LTD.
1, Laurence Pountry Hill, EC4, 01-623-4680
(w) Amer.Smaller Cos.Eqty.Pfl. $ 11.20
(d) Ecu Bond Pfl ECU 9.99
(d) Oriental Equity Pfl. $ 9.89
(w) European Equity Pfl. $ 15.00
(w) Nordic Equity Pfl. $ 14.89
(w) Amer. Mgt. Equity Pfl. $ 9.53
(d) Western Pac. Equity Pfl. $ 18.78
(d) Mediterranean Equity Pfl. $ 10.36
(d) British Equity Portfolio $ 9.04
(d) U.S.$ Sh. Term Asset Pfl. $ 9.99
(d) Sterling Sh. Term Asset Pfl. £ 18.06
(d) North American Bond Pfl. $ 9.92
(d) Multi-Currency Bond Pfl. $ 9.94
(d) Sterling Bond Portfolio £ 9.26
FIDELITY INT'L INV. MGMT (LUX.) S.A.
(d) New Europe Fund $ 11.50
(d) Fidelity Conv. Sec. Portf. $ 9.52
FIDELITY POB 670, Hamilton Bermuda
(m) Fid.Amer.Val.II Com. $ 93.59
(m) Fid.Amer. Val.III Com. $ 97.81
(m) Fid.Amr.Val.III Cum.Pref $ 101.08
(d) Fidelity Amer. Assets $ 129.78*
(d) Fidelity Australia Fund $ 15.17
(d) Fidelity Dir. Svgs.Tr. $ 173.44
(d) Fidelity Pacific Fund $ 308.68
FIDELITY INT'L SERVICE (LUX.).
(d) Balanced Portfolio-hedged $ 9.53
(d) Balanced Portfolio-unhedg $ 11.03
(d) Fidelity Discovery Fund $ 16.16
(d) Fidelity Far East Fund. $ 64.04
(d) Fidelity Frontier Fund $ 23.71
(d) Fidelity Global Ind. Fd $ 13.39
(d) Fidelity Global Selct Fd $ 13.95
(d) Fidelity Int'l. Fund $ 14.33
(d) Fidelity Orient Fund $ 94.58
(d) Fidelity Spcl. Growth Fd. $ 33.69*
(d) Fidelity World Fund $ 65.59
FIDELITY INT'L (CI) LTD.
FIDELITY PERFORM PORTFOLIOS LTD.
(d) American Portfolio $ 1.02
(d) European Portfolio $ 2.06
(d) Japan Portfolio $ 1.15
(d) South East Asian Portfolio $ 1.15
(d) U.K. Portfolio $ 1.06
(d) Intl. Bond Portfolio. $ 0.91
(d) Sterling Liquidity Pfl. £ 18.53
(d) Dollar Liquidity Portfolio $ 10.28
FINAFUTURES (BVI) Ltd
(w) Portofolio (est.) $ 0.96
FOKUS BANK A.S. 472 428 555
(w) Scanfonds int'l growth fd $ 1.57
GAIA CURRENCY HEDGE FUNDS
(w) Gaia Hedge I $ 106.74 Red $ 105.73
(w) Gaia Hedge II $ 203.73 Red $ 196.29
GARTMORE FUND MANAGERS INT.
45,La Motte Street, JERSEY 0534 27301
CAPITAL STRATEGY FD. LTD.
(d) American $ 1.728
(d) Canadian fund Cad$ 0.8540
(d) British £ 2.168
(d) European Fund DM 4.393
(d) Eastern European Fd DM 5.308
(d) Asia Pacific Fd $ 2.219
(d) Japan Fund Y 647.30
(d) Australasian Fund $ 0.7237
(d) Global Resources Fund $ 0.8050
(d) Emerging Markets Fund £ 1.416
(d) International growth $ 2.785
(d) Sterling Bond £ 0.9604
(d) E.C.U. Bond Fund ECU 0.9095
(d) International Bond $ 1.130
(d) US$ Deposit $ 1.010
(d) Sterling Deposit £ 1.021
(d) French Franc Deposit Fd FF 10.14
(d) Sw. Fr. Deposit SF 5.056
(d) DM Deposit DM 5.048
(d) Yen Deposit Y 504.1
(d) Austr.Dollar Dep. Fd AS 1.020
(d) Global Conv. Bond Fd $ 14.11
GEFINOR FUNDS
London:01-4994171. Geneva:41-22355530
(w) East Investment Fund $ 852.58
(w) Scottish World Fund £ 206.9897
(w) State St. American $ 316.36
GENERALE BANK
(see also Interselex Group)
(d) Rentinvest $ 24.99
(d) Capital Rentinvest $ 125.75
(d) Rentinbel Distr. LF 9,377.00
(d) Rentinbel Cap. LF 10,740.00
GAM ANLAGEFONDS AG.
POB 164, 8034 Zurich Tel.41-1-2516640
(w) GAM (CH) America SF 1203.00
(w) GAM (CH) Europe SF 100.00
(w) GAM (CH) Mondial SF 1203.00
(w) GAM (CH) Pacific SF 1633.00
GLOBAL ASSET MANAGEMENT CORP.
11 Athol St,Douglas,I. of Man,44-624-26037
(w) GAM Arbitrage Inc $ 228.73
(w) GAMerica Inc $ 245.05
(w) GAM Australia Inc. $ 139.56
(w) GAM Asean Inc $ 171.08
(w) GAM Bond Fund Inc U.S Ord. $ 107.81
(w) GAM Bond Fund Inc U.S Spe. $ 125.31
(w) GAM Bond Fund Inc. SF 84.04
(w) GAM Bond Fund Inc. £ 92.61
(w) GAM Bond Fund Inc. DM 84.93
(w) GAM Bond Fund Inc. Y 10,792.00
(w) GAM Boston Inc $ 224.71
(w) GAM Ermitage $ 31.41
(w) GAM Europe Fund $ 102.57
(w) GAM European Inc. $ 122.42
(w) GAM Franc-Val Inc. SF 225.15
(w) GAM France Inc. FF 1611.23
(w) GAM Global Fund $ 128.01
(w) GAM High Yield Inc. $ 90.58
(w) GAM Hong Kong Inc. $ 204.46
(w) GAM International Inc. $ 164.05
(w) GAM Japan Inc. $ 492.71
(w) GAM Money Mkts. Fund $ 102.35
(w) GAM Money Mkts. Fund £ 104.34
(w) GAM Money Mkts. Fund SF 102.56
(w) GAM Money Mkts. Fund DM 102.12
(w) GAM Money Mkts. Fund Y 10,163.00
(w) GAM Mlti-Mg Fd Inc Gen Eq $ 98.15
(w) GAM Mlti-Mg Fd Inc Alloc. $ 100.20
(w) GAM North America Fund $ 99.95
(w) GAM Pacific Basin Fund $ 120.43
(w) GAM Pacific Inc. $ 500.80
(w) GAM Restr. Fd. Inc. $ 151.11
(w) GAM Singapore/Malay Inc. $ 269.72
(w) GAM Swiss Fr Spec Bond Fd SF 89.28
(w) GAM Value Inc. $ 98.76
(w) GAM Worldwide Inc $ 437.19
(w) GAM Tyche S.A. Class A $ 191.57
(w) GAM Universal (Spain) Inc. SF 95.04
(w) GAM U.S. Inc. $ 160.52
(w) GAM Whitehorn Fund Inc. $ 144.20
(w) GAM of Inc. $ 319.49
(w) GSAM Composite Inc. $ 217.07
G.T. MANAGEMENT PLC
(d) G.T. ASEAN Fund $ 55.70*
(d) G.T. Asia Fund $ 14.29
(d) G.T. Australia Fund $ 25.16
(d) G.T. Berry Japan Fund $ 32.71*
(w) G.T.Biotechn./Health Fund $ 10.42
(d) G.T. Bond Fund $ 15.97
(d) G.T. Britain Fund £ 4.80
(d) G.T. Deutschland Fund $ 15.02
(d) G.T. Dollar Fund $ 19.90*
(d) G.T. Europe Fund $ 34.07
(w) G.T. Euro. Small Cos. Fund $ 34.72
(w) G.T.Global Small Cos.Fund $ 15.28
(d) G.T.Global Techno. Fd $ 16.37
(d) G.T. Hong Kong Fund $ 27.66
(d) G.T. Honshu Pathfinder $ 11.02
(d) G.T. Investment Fund $ 12.35
(d) G.T. Japan OTC Stocks Fund $ 10.26
(w) G.T. Japan Sml Co.Fd $ 13.78*
(w) G.T. Korea Fund $ 7.28
(w) G.T. Nat Res. Fd Gold Class $ 4.62
(w) G.T. Newly Ind. Countr. Fd $ 30.96*
(d) G.T. Select Dollar Bd Pfl $ 8.52
(d) G.T. Select Int Bd Pfl. £ 9.28
(d) G.T. Select Gilt Pfl. £ 7.64
(r) G.T. Technology Fund $ 40.86
(d) G.T. U.K. Small Companies £ 7.51
(d) G.T. Univ.Growth Fund £ 9.68
(w) G.T. U.S. Small Companies $ 14.44
HILL SAMUEL GLOBAL PORTFOLIO
1A rue Pierre d'Aspelt Luxembourg 1142
(d) H. S. Glbl Pfl UK Equity £ 9.11
(d) H. S. Glbl Pfl UK Sm.Co.Eq. £ 9.48
(d) H. S. Glbl Pfl N.Amer. Eq. $ 9.70
(d) H. S. Glbl Pfl US Sm.Co.Eq. $ 7.26
(d) H. S. Glbl Pfl Pac.Bas.Eq. $ 9.37
(d) H. S. Glbl Pfl Jap. Eq. Y 939.00
(d) H. S. Glbl Pfl Euro Eq. DM 10.07
(d) H. S. Glbl Pfl St.Fix.Int. £ 9.51
(d) H. S. Glbl Pfl Eu.Fix.Int. DM 8.99
(d) H. S. Glbl Pfl Glbl. Eq. $ 9.51
(d) H. S. Glbl Pfl Glbl. Bond $ 9.25
(d) H. S. Glbl Pfl Glbl. Mod. $ 9.41
HILL SAMUEL INVEST. MGMT. INTL. S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
(d) Crossbow (Far East) SF 14.81
(d) CSF (Balanced) SF 36.16
(d) European Equity Fund DM 19.73
(d) Intnl. Bond Fund $ 12.61
(d) Int. Currency U.S.Manost'd $ 27.64
(d) ITF Fd (Technology) $ 20.46
(d) O'Seas Fd (N. AMERICA) $ 50.63
(d) Int. Currency U.S. $ 26.99
IAM, 2 Bd. Royal LUXEMBOURG
(d) Iam Flagship Fund ECU 86.71
(w) Iam Bonds Fund-France FF 583.93
(w) Iam Bonds Fund-Deutschl DM 218.11
(w) Iam Bonds Fund-Japan Y 10,539.00
(w) Iam Bonds Fund-Switz. FS 211.48
(w) Iam Bonds Fund-U.S.A $ 186.22
(w) Iam Bonds Fund-Europe ECU 115.45
(w) Iam Bonds Fund-Netherl FL 198.64
(w) Iam Europe global ECU 105.20
(w) Iam Europe luxe ECU 102.66
(w) Iam Europe 90/10 ECU 103.89
(w) Iam Europe 1992 ECU 108.35
(w) Iam Europe du Sud ECU 105.28
INTERSELEX GROUP
(d) Int.America Fund $ 14.82
(d) Int.Belgo Fund LF 3067.00
(d) Int.Europa Sicav LF 6490.00
(d) Int.Pacific Fund $ 983.00
(d) Int.World Fund $ 90.30
ITALFORTUNE INTERNATIONAL FUNDS.
(w) Class A (Aggr.Growth Ital.) $ 49.40
(w) Class B (Global Equity) $ 10.52
(w) Class C (Global Bond) $ 10.97
(w) Class D (Ecu Bond) ECU 9.74
ISLAMIC MGMT FUND LTD $ 1073.71
CSFB Fund Mgmt Ltd (0481-71399*)
PB122 St. Peter Port,Guernsey
JARDINE FLEMING, GPO Box 11448 Hg Kg
(d) J.F Japan Trust Y 19,734.00
(d) J.F Pacific Sec. Trust $ 26.02
(d) J.F Pacific Income Trust $ 82.45
(d) J.F Hong Kong Trust $ 69.82
(d) J.F European $ 12.76
(d) J.F International $ 14.16
(d) J.F Glb Convertibles Trust $ 12.34
KIDDER,PEABODY & Co.Incorporated.
(b) Chesapeake Fund Ltd. $ 1301.80
(b) Stonehenge Ltd. $ 1067.99
KLEINWORT BENSON SELECT FUND
(d) British Fund ECU 1.72
(d) Emerging Asia Fund ECU 1.925
(d) European Fund ECU 1.99
(d) Japanese Fund ECU 1.63
LIPPO ASIA LIMITED
(w) Java Fund $ 10.81
LLOYDS BANK PLC, POB 438, Geneva 11
Mr. Peter King, 41 (22) 307333/ext. 3384
+(w) Lloyds Int'l Dollar $ 108.20
+(w) Lloyds Int'l Europe SF 194.60
+(w) Lloyds Int'l Growth SF 208.50
+(w) Lloyds Int'l Income SF 261.00
+(w) Lloyds Int'l N. America $ 165.80
+(w) Lloyds Int'l Pacific SF 190.70
+(w) Lloyds Int'l. Smaller Cos $ 17.25
MAN INTERNATIONAL FUTURES
(m) Alubat Mint Gtd.Fund.Ltd. $ 111.17
(m) Mint Limited - Ordinary $ 46.26
(m) Mint Limited - Income $ 16.59
(m) Mint Gtd Ltd - Spec Issue $ 22.67
(m) Mint Gtd Ltd - Series A $ 24.70
(m) Mint Gtd Ltd - Nov 1993 $ 21.67
(m) Mint Gtd Ltd - Jan 1994 $ 17.48
(m) Mint Gtd Ltd - Dec 1994 $ 15.28
(m) Mint Gtd Ltd - Aug 1995 $ 12.40
(m) Fime Mint Gtd Plc $ 129.46
(m) Mint Sp Res Ltd (BNP) $ 114.23
(m) Newcastle Guaranteed Ltd $ 12.53
MAGNUM FUTURES FUND LTD.
(m) Deutschemark Class DM
(m) Sterling Class £ 4.64
(m) U.S Dollar Class $ 8.98
MERRILL LYNCH
(d) Dollar Assets Portfolio $ 1.00
(d) Iberia portfolio $ 10.46
(d) Multi-Curr. Bond Portfolio $ 14.28
(d) U.S.A Income Portfolio $ 9.04
(d) US Federal Securities $ 9.37
(d) World Nat Res Pfl. Share A $ 11.48
(d) World Nat Res Pfl. Share B $ 11.44
GLOBAL CURRENCY PORTFOLIOS
(d) Australian Dollar Pfl. $ 11.08
(d) Canadian Portfolio $ 9.43
(d) Deutschmark Portfolio DM 9.48
(d) Pound Sterling Portfolio £ 9.89
(d) US Dollar Portfolio $ 10.67
(d) Yen Portfolio Y 968.00
M. LYNCH MLT.NAT'L INV PFL-EQ
GLOBAL EQUITY PORTFOLIO
(d) Class A $ 10.00
(d) Class B $ 9.86
CONVERTIBLE SECURITIES PTFL.
(d) Class A $ 11.18
(d) Class B $ 11.18
BASIC VALUE PORTFOLIO
(d) Class A $ 10.04
(d) Class B $ 10.02
MIM BRITANNIA,POB 271,St. Helier,Jersey
(d) Amer. Inc. & Growth $ 1.320
(d) Asia Super Growth Fund $ 13.68
(d) Dollar Man.Curr $ 14.39
(d) Dollar Man. Port $ 2.185*
(d) Gold & Prec. Metals $ 1.035
(d) Gtd. N.W. 1994 $ 7.57
(d) Int.High Income $ 2.358*
(d) Japan Dollar Perf. Fd $ 1.389
(d) Jersey Gilt £ 0.1442
(d) Nippon Warrant Fund $ 17.78
(d) Okasan Global Strat $ 17.31
(d) Pioneer Markets £ 3.032*
(d) Sterling Man.Port £ 1.778
(d) Sterling Man. Curr. £ 17.14*
(d) U.K. Growth £ 1.803
NIMARBEN
(w) Class A $ 167.33
NMB BANK,PO 1800,1000 BV Amsterdam.
(w) The Brazil Fund $ 2.207
(w) NMB Dutch Fund FL 39.20
(w) NMB Real Estate Fund. FL 28.30
(d) NMB Euromix Fund LF 2,037
NOMURA INVEST BANKING (M.E) E.C.
(d) Nomura Gulf Fund $ 9.57
NOMURA INTL. (HONG KONG) LTD.
(d) Nomura Jakarta Fund $ 11.64
OBLIFLEX LIMITED
(w) Multicurrency $ 20.96
(w) Dollar Medium Term $ 16.80
(w) Dollar Long Term $ 15.51
(w) Japanese Yen Y 21.84
(w) Poud Sterling £ 15.26
(w) Deutsche Mark DM 12.28
(w) Dutch Florin FL 12.51
(w) Dutch Florin Multi. FL 9.96
(w) HY Euro. Currencies ECU 10.05
(w) HY Euro.Curr.Divi.Pay. ECU 10.06
(w) Swiss Franc SF 10.13
(w) Swiss Franc Divi. paying SF 10.36
(w) US Dollar Short Term. $ 10.10
(w) Swiss Multicurrency SF 11.59
(w) European Currency ECU 13.65
(w) Convertibles $ 11.40
(w) French Franc F 101.37
(w) Swiss Multi-dividend SF 9.13
PARIBAS-GROUP
(d) Belux Fund LF 11,348.00
(d) Cortexa International $ 134.99
(d) Ecupar ECU 1,361.42
(d) Parvest Asia Pacific 'B' $ 71.42
(d) Parvest Japan 'B' YEN 10,842.00
(d) Luxor $ 8.46
(d) Moneyflow LF 10,067.00
(d) Parvest Europe 'B' ECU 20.18
(d) Parinter Fund $ 228.39
(d) Par US Treas. Bond 'Cl. B' $ 153.89
(d) Europhenix ECU 187.14
(d) Parinter Bond Fund $ 13.35
(d) Paribas-Rente 'A' LF 1,191.00
(d) Paribas-Rente 'B' LF 1,376.00
(w) Parvest Obli-Franc 'B' FF 1,287.86
(w) Parvest Obli-DM 'B' DM 1,292.48
(w) Obliselsion SF 83.71
(w) Parvest Obli-Dollar 'B' $ 1,318.52
(w) Parvest Obli-yen 'B' Y 114,488.00
(w) Parvest Obli-Gulden 'B' FL 1,090.28
(w) Parsuisse SF 1,416.90
(w) Parlapon Y 3,530.00
PERMAL GROUP
(m) Drakkar Growth $ 1980.93
(m) EuroMir (ECU) Ltd. ECU 1093.30
(m) Media Ltd. $ 835.52
(m) Nascal Ltd $ 1417.48
(m) Special Opportunities Ltd $ 1673.10
(m) Updyke Ltd $ 269.56
(m) Value N.V. $ 1994.70
PIERSON,HELDRING & PIERSON N.V.
Rokin 55 1012KK, Amsterdam (20-5211188)
(w) Asia Pac. Growth Fd N.V. $ 33.33
(w) Asian Selection Fund FL 47.77
(w) DP Amer. Growth Fd N.V. $ 25.20
(w) Europe Growth Fund N.V. FL 62.32
(w) Japan Diversified Fund $ 41.76
(w) Leveraged Cap Hold $ 336.74
(w) Tokyo Pac. Hold. N.V. $ 238.11
PIONEER GROUP
(d) Pioneer Fund $ 22.34
(d) Pioneer II $ 18.53
PUTNAM
(d) Emerging Hlth Sc. Trust $ 17.55
(d) Putnam Em. Info. Sc. Tr $ 14.97
(d) Putnam Glob. High Growth $ 12.91
(d) Putnam High Inc.GNMA Fd $ 9.11
(d) Putnam Int'l Fund $ 11.67
ROBECO GROUP
POB 973, Rotterdam (10-4650711)
(d) Robeco FL 97.80
(d) Rolinco FL 94.30
(d) Rorento FL 57.90
(d) Rodamco FL 79.80
ROTHSCHILD AST.MGT.
(w) Tokyo Pac. Hold. (Sea) $ 167.91
ROYAL B. CANADA,POB 246,GUERNSEY
+(w) RBC British Fund Ltd. £ 5.251
+(w) RBC Canadian Fund Ltd C$ 13.58
+(w) RBC European Fund $ 13.57
+(w) RBC Far East&Pacific Fd $ 45.18*
+(w) RBC Int'l Capital Fd $ 57.80*
+(w) RBC Int'l Bond Fund Ltd. $ 12.74
+(d) RBC Man.Currency Fd $ 39.56
+(d) RBC North Amer. Fd $ 15.17
ROYAL TRUST ASSETMIX FUND
Lux.Tel.:(352)489061
EQUITY FUNDS
(d) Alpha UK £ 1.17
(d) Alpha US$ $ 1.41
(d) Alpha Worldwide SF 4.74
(d) Alpha Japanese Y 928.00
(d) Alpha Pacific Rim $ 1.36
(d) Alpha European ECU 1.29
(d) Gold Share $ 1.07
BOND FUNDS
(d) Sterling Pound £ 99.16
(d) US$ Bond US$ 108.21
(d) Deutschmark Bond DM 48.04
(d) Alpha Worldwide SF 50.78
RESERVE FUNDS
(d) Sterling Reserve £ 12.003
(d) US$ Reserve $ 11.096
(d) Deutschmark Reserve DM 10.791
SHEARSON LEHMAN HUTTON
(d) Oporto Growth Fund $ 8.50
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
(w) Equity Intl Acc $ 12.66
(w) Equity Intl Inc $ 11.47
(w) Equity Global $ 1.26
(w) Equity Far East $ 1.93
(w) Equity Gold $ 0.91
(w) Equity Japan Y 123.00
(w) Equity Nordic $ 1.38
(w) Equity U.K. £ 1.08
(d) Equity Continental Europe $ 1.41
(d) Equity Mediterranean $ 1.15
(d) Equity North America $ 1.22
(d) Bond DEM DM 0.91
(w) Bond Intl Acc $ 8.19
(w) Bond Intl Inc $ 4.33
(d) Bond Sweden SEK 9.87
(d) Bond Dollar $ 8.99
(w) High Income Acc $ 1.09
(w) High Income Inc $ 0.92
(w) Multicurrency $ 1.1941
SOCIETE GENERALE GROUP
(w) Sogelux Fund (SF)
(w) SF Bonds A U.S.A $ 11.77
(w) SF Bonds B Germany DM 33.38
(w) SF Bonds C France FF 87.51
(w) SF Bonds D Switz. SF 28.00
(w) SF Bonds E G.B. £ 8.03
(w) SF Bonds F Japan Y 1632.00
(w) SF Bonds G Europe ECU 12.01
(w) SF Bonds H World Wide $ 11.71
(w) SF Bonds J Belgium BF 572.00
(w) SF Eq. K North America $ 12.23
(w) SF Eq. L W. Europe ECU 13.69
(w) SF Eq. M Pacific Basin YEN 1420.00
(w) SF Eq. N France FF 70.00
(w) SF Eq P Growth Countries $ 12.88
(w) SF Equities Q Gold Mines $ 11.87
(w) SF Equities R World Wide $ 12.18
(w) SF Short Term S France FF 118.44
(w) SF Short Term T Eur. ECU 11.58
SODITIC ASSET MANAGEMENT INC.
(w) SAM Diversified Inc. $ 103.55
SVENSKA HANDELSBANKEN S.A.
146 bd de la Petrusse,L-2330 Luxembourg
(b) SHB Bond Fund $ 43.72
(w) Svenska Select.Fd Intl Sh. $ 82.82
(w) Svenska Select.Fd America Sh $ 12.32
(w) Svenska Select.Fd Asia Shares $ 8.70
(w) Svenska Select.Fd Germany DM 11.16
(d) Svenska Sel.Fd Intl Bd.Sh $ 10.00
(d) Svenska Sel.Fd Nordic Sha $ 10.96
(d) Svenska Sel.Fd S/T Ass.Sh $ 10.25
SWISS BANK CORP. (ISSUE PRICES)
(d) AmericaValor SF 441.00
(d) AngloValor £ 179.41
(d) Asia Portfolio SF 604.37
(d) Convert Bond Selection SF 91.03
(d) Dollar Bond Selection $ 129.48
(d) D-Mark Bond Selection DM 104.71
(d) Ecu Bond Selection ECU 93.22
(d) Florin Bond Selection FL 108.46
(d) FrancoValor FF 1988.31
(d) GermaniaValor DM 578.65
(d) Gold Portfolio SF 448.55
(d) ItalValor Lit 497232.00
(d) Japan Portfolio SF 317.75
(d) SBC US$ MMF $ 6011.40
(d) SBC 100 Index Fund SF 1075.00
(d) SBC Sfr Bond A/B SF 1001.91
(d) Sterling Bond Selection £ 97.29
(d) Swiss Foreign Bond Selec SF 96.67
(d) Swissvalor SF 368.50
(d) Universal Bond Select. SF 73.80
(d) UniversalFund SF 115.28
(d) Yen Bond Selection Y 11,019.00
TEMPLETON W.WIDE INVESTMENTS
(d) GROWTH PORTFOLIO
(d) Class A-1 $ 10.50
(d) Class A-2 $ 10.50
(d) Class A-3 $ 10.50
(d) Class B-1 $ 10.45
(d) Class B-2 $ 10.45
(d) INCOME PORTFOLIO
(d) Class A $ 10.30
(d) Class B $ 10.25
THORNTON MANAGEMENT LTD.
(d) Thornton Int opps.fund $ 2.14
(d) Pacific Invt. Fd. S.A. $ 11.30
(d) Pac.Invt. Fd. SA DM 31.10
(d) Pac.Invt. Wrnts Fd.S.A. DM 17.34
(d) Pac.Invt. Warrants Fd.S.A. $ 6.20
(d) Thornton Kanagroo Fd Ltd. $ 9.52
(d) Thornton European Fund $ 4.76
(d) Thornton HK & China $ 13.35
(d) Thornton Japan Fund Ltd $ 28.12
(d) Thornton Orient.Inc. Fd Ltd $ 22.88
(w) Thornton Phil. Redev. Fd $ 45.97
(d) Thornton Tiger Fund Ltd $ 32.80
(d) Thor.Pacific Tech.Fd Ltd $ 10.46
(d) Thor.Ltd. Dragons Fd Ltd $ 25.22
(d) Thor.Golden Opport.Fd $ 4.03
(d) Eastern Crusader Fund $ 10.26
(w) The Global Access Fund. $ 9.4
T. Rowe Price Associates Inc.
(m) T. Rowe Price Frontier Ltd. $ 10.72
TYNDALL INT'L GUERNSEY LTD
Tel.0481 27965
(d) Amer Spec Sits $ 45.22
(d) Eurobond £ 27.51
(d) Mortgage C$ 13.66
(d) Overseas $ 28.59
(d) Tiger $ 43.48
(d) High Yield Bond £ 62.10
(d) Maruzuchi $ 75.80
(d) Far Eastern £ 579.68
(d) Gilt £ 481.50
(d) Med Currency-Dollar £ 1.344
(d) Med Currency-Stlg £ 116.78
(d) 1992 £ 310.70
(d) Wall Street £ 254.40
(d) HI Inc Gilt & Buildsg £ 90.90
UEBERSEEBANK, ZURICH
(d) B-FUND SF 943.65
(d) M-FUND SF 1048.90
(d) E-FUND SF 592.07
(d) J-FUND SF 375.30
(d) M-Distribution SF 99.06
(d) UBZ Euro-Income Fund SF 9.52
UNION BANK OF SWITZERLAND
(d) Amca American Shrs SF 38.50
(d) Bond-Invest SF 57.25
(d) Brit-Invest Shares SF 718.00
(d) D-Mark-Invest Bds DM 199.10
(d) Dollar-Invest Bds $ 110.85
(d) ESPAC Spanish sh SF 193.00
(d) Eurit SF 352.50
(d) Fonsa Swiss Sh. SF 204.50
(d) Francit Shares SF 251.00
(d) Germac Shares. SF 277.50
(d) Globinvest Shares. SF 189.00
(d) Gold Invest Shares. SF 242.50
(d) Holland-Invest Sh. SF 242.00
(d) Itac Shares SF 230.00
(d) Japan-Invest Sh. SF 1212.50
(d) Sima (stock price) SF 226.50
(d) Skandinavien-Invest SF 279.00
(d) UBS Money Mkt Inv. $ 1036.44
(d) Yen-Invest Bonds. YEN 83185.00
UNION INVESTMENT Frankfurt
(d) Unirenta DM 35.50
(d) Unifonds DM 40.90
(d) Unirak DM 84.05
(d) Unizins DM 105.05
THE UNIVERSAL GROUP OF FUNDS
(d) Univers Sav Amer C$ 9.60
(d) Univers Sav Equity C$ 11.39
(d) Univers Sav Global C$ 5.26
(d) Univers Sav Pacific C$ 8.76
(d) Univers Sav Nat. Res C$ 5.91

Other Funds
(b) Abacus Guart.Fd.Mar.'94 $ 8.53
(r) Actiarbitrage $ 501.56
(d) Actifinance Intl $ 1043.36
(w) Actigestion FF 1200.52
(w) Activest Intl $ 22.48
(d) Amvabel FL 76.60
(w) Aquila International Fund $ 272.49
(b) Ariane $ 3,732.86
(d) Asia Oceania Fund $ 9.86
(m) Associated Investors Inc. $ 735.72
(m) Atlantic Fund $ 86.31
(d) Atlas Fund SF 117.45
(r) Australia Fund $ 15.21
(w) BDD Inv Fund-Ecu Bd ECU 5062.77
(d) Bera Norden Sicav $ 153.78
(d) Bera Trust Sicav $ 129.89
(d) Bera Trust Sicav Switz. SF 149.54
(w) Berben Int'l Fund. $ 11.66
(d) Bever Beleggingen+ $ 25.50
(m) Bonar Currency & Int. $ 87.20
(w) Bondselex-Issue Pr. SF 104.45
(m) J Capel guaranteed Fund $ 10.16
(w) CMI Investment Fund $ 7273.00
(d) Cash Gestion FF 10008.06
(d) CB German Index Fund DM 141.93
(m) Cleveland Offshore Fd. $ 29.12
(m) Centurion S.P $ 10.00
(w) Columbia Securities FL 106.12
(m) Commod. Gtd. Fund/USA $ 2.94
(d) Conqueror Fund Ltd $ 89.26
(w) Convert. Fd. Int'l A Certs $ 16.36
(w) Convert. Fd. Int'l B Certs $ 55.07
(w) Cumber Intl N.V. $ 234.71
(w) Daiwa Japan Fund Y 7946.00
(w) D.G.C. $ 200.08
(d) D-mark-Baer Bond Fd DM 958.00
(d) Dollar-Baer Bond Fd $ 1108.00*
(d) D. Witter Wld Wide Ivt Tst $ 24.17
(d) Dreyfus America Fund $ 17.08
(d) Dreyfus Fund Int'l. $ 63.27
(w) Dreyfus Intercontinent $ 116.55
(m) Dumenil Arbitrage Fd NV $ 855.73
(d) Emperor Fund Limited $ 74.87
(w) Esprit Sicav ECU 1270.27
(w) Espirito Sto Inv M Stn Eur Fd. $ 11.72
(d) Europe Obligations ECU 72.85
(d) Europe 1992 $ 10.74
(d) Exclusive Advisors Fd Ltd $ 63.30
(m) Fatum Fund $ 1013.98
(w) Fairfield Int'l Ltd. $ 144.00
(w) Fairfield Strat. Ltd. $ 37.30
(d) First Eagle Fund $ 38,780.85
(m) First Frontier Funds FF
(w) F.I.T. Fund ff FF 111.19
(d) Fonditalia $ 16.38
(w) Forselex Issue Pr. SF 179.00
(d) Forexfund Limited $ 8.45
(w) Formula Selection Fd. SF 72.00
(d) Frankf-Trust Effekten Fd DM 180.42
(d) Frankf-Trust Interzins DM 38.97
(w) Fulbro Div.Fund $ 25,730.00
(w) George V INV. BOND F. $ 20.91
(m) German Sel. Associates DM 2507.73
(m) Green Line France FF 732.18
(w) Hausmann Hldgs. N.V. $ 297.96
(w) Hestia Funds $ 180.04
(w) Horizon Fund $ 1792.71
(w) Ibex Holdings Ltd. SF 181.26
(w) IFDC Japan Fund YEN 37,651.00
(r) ILA-IGB $ 6.53
(r) ILA-IGS $ 9.97
(m) IncAmerica N.V. $ 14.61
(m) IncAsia N.V. $ 18.54
(w) Inpremet $ 17.19
(w) Interecu Fund 'A' ECU 1023.43
(w) Interecu Fund 'B' ECU 244.60
(m) Interface Fund Ltd. $ 146.06
(d) Interfund SA $ 44.44
(w) Intermarket Fund $ 410.05
(r) Int'l Securities Fund $ 23.72
(w) Intersec SA $ 3969.85
(d) Investa DWS DM 84.28*
(d) Investmentor Fund $ 8.45
(m) Japan Selection Assets Y 8,018.00
(w) Japan Pacific Fund $ 221.51
(w) Japan Res.Growth F. Yen 922,272
(w) Japan Selection Fund $ 205.13
(d) JJ Placement FF 11511.35
(w) Kenmar Intl - B $ 9480.00
(w) Kleinwort Bens. Jap. Fd. $ 215.33
(d) KML-II High Yield 12/04/90 $ 493.41
(w) Korea Growth Trust $ 39.17
(w) LACO International $ 4.93
(w) Leumi Val.Francaises FF 1020.97
(w) Liberty Offshore Fund $ 107.15
(d) Lipaibaer $ 1848.00
(m) London Portfolio G'td. I. $ 87.93
(m) London Portfolio G'td. II. $ 9.24
(w) Luxfund $ 188.94
(m) Lynx Sel.Holdings SF 137.08
(m) MCM International Limited $ 135.78
(w) Moore Global Invts. Ltd. $ 1,716.85
(w) ML. Morgens Lv Hi Yld.Inv.NV $ 9.40
(d) Mediolanum Sel. Fd. $ 43.62
(d) NCA FUND $ 11.57
(w) Nippon Fund $ 109.00
(m) NMT Asian Sel. Portfolio $ 200.40
(w) NMT Citadel Bond SF 109.52
(m) NMT Nostec Portfolio s/s $ 112.61
(d) NM Inc. & Growth Fund $ 18.79
(d) Nomura-Cap Int Eq Fd $ 14.01
(d) Nordmix Lit 11584.00
(w) Noveurope ECU 3070.51
(m) NSP F.I.T. $ 274.77
(w) Oppenheimer U.S.Arb. $ 118.03
(m) Optimum Fund $ 1248.40
(m) Overlook Performance $ 1216.77
(d) Pacific Nies Fund $ 9.28
(d) PAM Futures Trad. $ 772.18
(w) Pancurri Inc. $ 154.93
(m) Paragon Fund Limited $ 9.71
(m) Preferred Capital Fund Lt. $ 85.83
(d) Pro Traders Judgement $ 84.75
(w) Prosp. I.H.Inc.P.F.30/03/90 $ 5.38
(w) Puget-Mahe Barclays Pac. $ 178.95
(w) Quantum Fund N.V. $ 14,577.89
(w) Rep.(Guernsey) Dol.Inc.fd $ 9.54*
(d) SAGA Ameriques FF 949.33
(d) SAGA Court Terme FF 1116.44
(d) SAGA Long T.Capitalisation FF 1036.27
(d) SAGA Opportunites FF 1077.82
(d) SAGA Premiere FF 1112.28
(w) Samurai Portfolio SF 279.70
(d) Sanyo Kle.Spain Fd $ 10.63
(w) Sarakreek Holding n.v.+++ $ 30.20
(m) Scimitar Guaranteed $ 9.23
(m) Scimitar Guaranteed Cur Fd. $ 10.00
(d) SCI/Tech. SA Luxembourg $ 19.53
(w) SP International S.A. $ 8274.99
(m) SLH Guar. F.F.I. $ 941.81
(d) Strat Int'l Gold Fund S.A. $ 6.83
(b) Stellux Fund $ 177.32
(w) Sussex Silverman $ 1896.00
(w) Techno Growth Fund SF 82.17
(d) Templeton Glob Inc. $ 9.66
(m) The Petrus Fund Ltd. $ 1.13
(m) TIIC(O.T.C)Jap.Id Sicav $ 15.41
(w) Transpacific Fund Y 23304.00
(d) Tudor B.V.I Futures LTD $ 5642.73
(d) Turquoise Fund $ 224.97
(w) Tweedy,Browne n.v.CLA $ 3575.06
(w) Tweedy,Browne n.v.CL.B $ 3783.17
(d) Tweedy,Browne (U.K.) n.v. $ 1374.48
(d) Unico Inv.Fund DM 80.97
(d) Unico Equity.Fund DM 62.92
(d) Uni Bond Fund ECU 1034.11
(r) Uni Capital Fund $ 1185.75
(m) Unitrad FF FF 10330.79
(m) Unitrad SF SF 1,027.37
(m) Unitrad $US $ 1,018.83
(d) Univers Bonds DM 130.62
(w) Vanderbilt Assets $ 1426
(m) Victor Futures Fund $ 101.57
(d) Victoria Holdings Limited $ 57.80
(w) Wilerband Capital $ 14.37
(d) World Fund S.A. $ 17.39
(d) World Balanced Fund S.A. $ 11.27
(m) Zweig Int'l Ltd $ $/3 9.168

A$ - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; LIT - Italian Lira; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SG$ - Singapore Dollars; SF - Swiss Francs; Y-Yen; a - asked; + - Offer Prices; N.A.- Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; -@ Offer Price incl. 3% prelim. charge; ++ - Paris exchange; +++ - Amsterdam exchange; e - misquoted earlier; x-not registered with regulatory authority

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Taiwan Energy Needs to Drop

Officials Link Decline to Slowing of Industrial Growth

Reuters

TAIPEI — Taiwan, in the midst of an industrial slowdown, is expected to reduce both oil and coal imports this year and lower its own output because of falling energy consumption, officials said Friday.

Taiwan imported about 29.5 million kiloliters (7.7 billion gallons) of crude and fuel oil in 1989, up from 27 million kiloliters in 1988, officials of the government's Energy Committee said.

But oil imports are expected to fall to about 28 million kiloliters this year, said the committee's director, Kao Jih-an.

He said coal imports fell to 16.8 million metric tons from 17.5 million tons, and would drop further, to 16.3 million tons, in 1990.

Officials said both oil and coal imports would fall because Taiwan's industry, including the important manufacturing and ship building sectors, were using less energy.

Industry's energy needs accounted for about 60 percent of all consumption in 1989, they said, and is expected to drop to 58 percent this year. In 1986, it used 63 percent.

Industrial growth, which was 13.9 percent in 1986, rose by 4.43 percent in 1988 and only 3.7 percent in 1989, officials said. It is expected to slow even further this year, they said, without giving figures.

Many labor-intensive factories, including those making footwear, toys and textiles, have closed or moved their plants overseas because of labor shortages, anti-pollution protests and the appreciation of the Taiwan dollar in the past three years.

Taiwan's shipbreaking industry, once a big consumer of energy, has all but folded in the face of stiff competition from mainland China and India, officials said.

Such service industries as banking, insurance and stock brokerages are now using more energy, but that increase will not be equal to the decline in the industrial sector, an official at the Bureau of Statistics said.

"The energy consumption by the service sector will continue to rise in the next few years," he said. "But it only accounted for about 25 percent of the island's total consumption in 1989."

Taiwan itself produces only about 3,400 barrels of crude oil and about four million cubic meters (140 million cubic feet) of natural gas per day, according to the Ministry of Economic Affairs.

But the gas reserves will be depleted in about 10 years, said Lin Chung-piaw, director of the ministry's Mining Department.

Taiwan's coal production will drop to about 600,000 tons in 1990 from 784,000 tons in 1989 and 1.22 million in 1988, according to the Bureau of Mines.

The bureau's director, Chen Shiun-chang, said the decline was being caused by higher mining costs and fewer miners.

"Many workers are switching their jobs to other, less risky industries," he said. "Local mines cannot compete with imported coal because of higher operation costs."

Samsung to Expand And Run Moscow Hotel

Reuters

SEOUL — Samsung Co. has agreed to expand a hotel in Moscow and jointly manage it with the Soviet Union, a company spokesman said on Friday.

The spokesman said the Korean company was expected to invest about $20 million by the end of 1991 in renovating and expanding the Sports Hotel, currently managed by the Soviet government. Despite the lack of official ties, Seoul and Moscow have increased business contacts since the 1988 Seoul Olympics.

Toray's Stock Shoots Up on Boeing Pact

Compiled by Our Staff From Dispatches

TOKYO — Toray Industries Inc., Japan's top maker of synthetic and carbon fibers, said Friday it had signed an agreement with Boeing Co. to supply a new carbon-fiber-reinforced plastic to be used in the U.S. company's next generation of passenger aircraft.

A Toray spokesman said details of the pact would be announced soon. He described as speculative a report in the Nihon Keizai Shimbun newspaper that Toray was to receive a 80 billion yen ($505 million), 10-year order from Boeing to begin in 1992. But the report helped boost Toray's stock. It closed at 788 yen, up 22.

The spokesman said Boeing tested the plastic for use as a structural element in its B-767X, the 300-seat plane it is proposing to develop with Japanese aerospace companies.

The material, Torayca Prepreg P2302, is a preimpregnated carbon-fiber-reinforced plastic that is lighter and stronger than most current types. It will be used for tail assemblies and other key aircraft components, the spokesman said.

Tokyo Stocks, Yen Slip; Taiwan Market Tumbles

Compiled by Our Staff From Dispatches

TOKYO — Tokyo shares fell as the yen slipped and the troubled Taiwan market ended sharply lower among the few stock exchanges open on Good Friday.

The Nikkei Stock Average of 225 selected issues, which gained 182.92 points Thursday, lost 409.28 points, or 1.38 percent. It ended at 29,213.92.

Trading was thin, with 320 million shares changing hands on the market's first section, down from Thursday's 430 million.

"Volume was extremely small. The index came down on small-lot selling amid a wait-and-see mood, rather than in active buying and selling," said a Nippon Kangyo Kakumaru Securities Co. dealer, who spoke on condition of anonymity.

The dealer said many market participants retreated to the sidelines to watch movements in the foreign exchange and bond markets.

Yoshihide Koyama, an equity analyst with Nikko Securities Co., also attributed the decline in the Nikkei index to investor worries over speculation that Japan's central bank may raise its official discount rate once again in an attempt to halt the yen's recent downswing.

A Bank of Japan official refused to comment on the speculation.

On March 20 the bank raised its key rate, charged on loans to commercial banks, by 1 percentage point, to 5.25 percent. Higher interest rates tend to support a country's currency, but discourage stock investment by raising borrowing costs and increasing the returns available from the credit market.

In Taipei, stocks fell to a sharply lower finish as investors rushed to sell holdings in the last minutes after the index failed to pull out of an early slump, dealers said.

The weighted index lost 375.14 points, or 3.7 percent, to end at 9,603.72. Volume rose to 103.5 billion Taiwan dollars ($3.95 billion) from 84.2 billion on Thursday.

Last Saturday, the index fell a record 612.45 points. Tight credit conditions, which the central bank has promised to ease, were cited for the decline along with weakness in Tokyo. After continuing to slide, prices firmed Wednesday and Thursday.

Most investors were disappointed on Friday because big players didn't come back to the market to help buoy prices, dealers said.

In Tokyo currency trading, the dollar rose 0.42 yen, to 158.42 yen. The U.S. unit rose to 1.6717 Deutsche marks from about 1.6695 DM on Thursday.

The British pound fell to $1.6410 from about $1.6455 on Thursday.

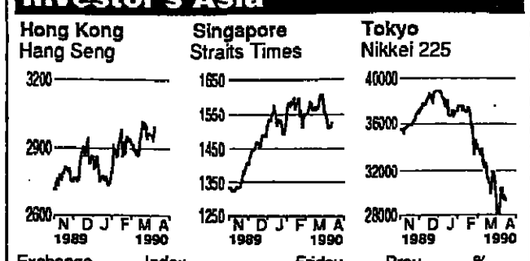
Market doubts over the strength of Group of Seven political coordination is seen weighing on the ailing Japanese currency.

This negative sentiment was reinforced after a local newspaper reported on Thursday that joint intervention in Europe was on behalf of the Bank of Japan. "The report suggests everything was based on Japan's self-conceit," said one dealer.

Finance Minister Ryutaro Hashimoto said Friday that policy coordination would be difficult to achieve if it were defined as supporting another country's currency by depressing the value of one's own.

(AP, Reuters)

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	Closed	2995.69	-
Singapore	Straits Times	Closed	1525.22	-
Sydney	All Ordinaries	Closed	1498.30	-
Tokyo	Nikkei 225	29213.92	29623.00	-1 38
Kuala Lumpur	Composite	556.82	555.33	+0.27
Bangkok	Book Club	Closed	731.69	-
Seoul	Composite Stock	Closed	806.86	-
Taipei	Weighted Price	Closed	9978.86	-
Manila	Composite	Closed	326.26	-
New Zealand	Barclays	Closed	1733.62	-
Bombay	National Index	Closed	406.08	-

Source: AFP International Herald Tribune

NOMURA: *Tug-of-War With Muckraking Author*

(Continued from first finance page)

more. For every example in the book, there are five others I didn't use."

But the scarcity of public documentation on securities violations in Japan may affect Mr. Alletzhauser's defense, lawyers in Tokyo said. Mr. Alletzhauser and Bloomsbury are represented by David Hooper, a London libel lawyer known for his successful defense of Peter Wright, whose book "Spycatcher" came under attack by the British government for disclosing intelligence secrets.

In Japan, Finance Ministry and stock exchange authorities generally conduct investigations in secret and are not required to disclose their findings. Cases seldom go to court.

"Japan's big brokerage houses are all into dirty practices," said Shuzo Nakashima, a Tokyo securities lawyer. "But where's the evidence? These things don't come out in the open."

In a rare exception, as described in Mr. Alletzhauser's book, the Tokyo District Court handed down a decision in 1987 that found that a broker in a Nomura branch office had betrayed a client's confidence through unauthorized trading, or account churning.

According to Mr. Alletzhauser's book, the investor won his damage suit only because his wife secretly tape-recorded the Nomura man apologizing for the breach and promising to recoup the losses through an opportunity to invest in a new issue of hot stock. Mr. Watanabe, the securities lawyer who represented the client against Nomura, said it was the first time a plaintiff had won such a case in Japan.

In a case that became public about the time Mr. Alletzhauser's book appeared, the Finance Ministry last December punished Daiwa Securities Co., Japan's No. 2 brokerage, for filing false reports. Daiwa was ordered not to raise funds in the market for itself for the time being and its investment service division was asked to refrain voluntarily from business for two days. The Daiwa division was reported to have tried to boost stock sales to corporate customers by guaranteeing against losses.

BTR: *64% of Norton Tendered*

(Continued from first finance page)

significant majority of shareholders supported the BTR offer."

Now the outcome of the takeover attempt seems to turn all the more on a court fight over the date of the annual meeting.

When it rejected BTR's bid as inadequate, Norton also canceled the annual meeting and rescheduled one for June, saying it needed time to consider alternatives to the BTR bid.

If the meeting is held as scheduled, only stockholders of record from March 2 will be eligible to vote in electing a board of directors. That would effectively kill Norton's chances of enlisting the help of friendly investors to fend off BTR's proxy fight for control of the board.

On Wednesday, BTR won a U.S. District Court order directing Norton to hold its meeting as scheduled. However, Norton immediately appealed the decision to the 1st U.S. Circuit Court of Appeals, which could hear the matter as soon as Tuesday.

BTR launched its proxy fight for control of the Norton board Thursday, the day after it won the court decision ordering the early annual meeting, with a slate of directors committed to accepting the takeover offer.

BTR, Britain's ninth-largest company in terms of stock-market capitalization, is also one of its most acquisitive.

The company, which was originally the British subsidiary of B.F. Goodrich Co. of the United States, has a long history of buying mainly industrial companies that make high-quality products for niche markets, investing heavily in them to lower their costs and helping them expand throughout the world. It is also known for being aggressive in getting the highest possible prices for its products.

HUNGARY: *No Halfway Steps*

(Continued from first finance page)

grow faster than tax revenues, Mr. Kornai contends, the game will be lost.

If Mr. Kornai's proposal for "major surgery" on the Hungarian economy sounds like the "shock therapy" now being tried in Poland, it should come as no surprise.

The Polish experiment is largely the brainchild of Jeffrey Sachs, a colleague of Mr. Kornai's at Harvard who shares his conviction that moderation in the pursuit of systemic economic change is no virtue.

The economic logic of moving simultaneously on every front, rather than trying to coordinate a thousand reforms in sequence, now seems almost unassailable.

What has yet to be determined, though, is whether people raised in a system in which economic security was prized more than prosperity will rise to the challenge.

That explains why Mr. Kornai believes that successful economic transition is so closely linked to political reform. Without the enthusiastic consent of the governed, the road to a free market may simply be too painful to travel.

GATT Expansion Opposed by U.S.

Reuters

WASHINGTON — The time is not right to expand the General Agreement on Tariffs and Trade group into a full global institution to be called the World Trade Organization, the U.S. trade representative, Carla A. Hills, has said.

The proposal to expand GATT, now 105 nations, was made by Canada's international trade minister, John Crosbie, on Thursday at GATT headquarters in Geneva.

Mrs. Hills responded that enlarging GATT was a matter of timing and, if raised now, could divert efforts to reform world trade and strengthen GATT operations during the current negotiations. "We have to lay the groundwork before we build the courthouse," she said.

INTERNATIONAL MANAGER
BY SHERRY BUCHANAN.
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WORLD STOCK MARKETS

Agence France Presse April 13

Milan

Banca Comm	5160	4980
Bastogi	356	352
Cigahotels	5740	5650
CIR	5390	5240
Cred Ital	2740	2650
Eniment	1475	1415
Eridania	9545	9400
Ferruzzi Fin.	3150	3055
Ferruzzi Agr.	2595	2518
Fiat SPA	10700	10450
Generali	40450	39250
IFI	28650	27000
Italcem	13170	13000
Italgas	2850	2790
Italmobiliare	21300	21150
Mediobanca	20900	19650
Montedison	1980	1920
NBA	1925	—
Olivetti	7200	7150
Pirelli	2870	2820
RAS	24900	24200
Rinascente	7545	7525
Saipem	3185	3040
SIP	1645	1620
SME	3785	3665
Snia	3440	3280
Standa	30900	30500
Stet	5828	5780
Toro Assi Risp	22580	22100

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Tokyo

Akai Electr	1040	1045
Asahi Chemical	844	845
Asahi Glass	1710	1750
Bank of Tokyo	1300	1320
Bridgestone	1440	1460
Canon	1740	1770
Casio	1630	1650
C.Itoh	788	800
Dai Nippon Print	2150	2150
Daiwa House	2100	2100
Daiwa Securities	1490	1530
Fanuc	7190	7170
Fuji Bank	2540	2450
Fuji Photo	4140	4260
Fujitsu	1490	1480
Hitachi	1630	1640
Hitachi Cable	1010	1000
Honda	1850	1890
Ito Yokado	3850	3840
Japan Air Lines	14900	15200
Kajima	1530	1610
Kansai Power	3200	3180
Kawasaki Steel	563	551
Kirin Brewery	1480	1450
Komatsu	1040	1052
Kubota	997	999
Kyocera	7460	7490
Matsu Elec Inds	2220	2220
Matsu Elec Wks	1880	1910
Mitsubishi Bk	2290	2300
Mitsubishi Kasei	718	715
Mitsubishi Elec	1000	1020
Mitsubishi Hev	950	899
Mitsubishi Corp	1340	1330
Mitsui and Co	873	880
Mitsukoshi	1710	1730
Mitsumi	1170	1220
NEC	2120	2130
NGK Insulators	1400	1440
Nikko Securities	1240	1260
Nippon Kagaku	1410	1430
Nippon Oil	1060	1090
Nippon Steel	552	554
Nippon Yusen	852	870
Nissan	1090	1110
Nomura Sec	2210	2220
NTT (SF)	10044	9954
Olympus Optical	1620	1660
Pioneer	6060	6130
Ricoh	1160	1180
Sanyo Elec	790	805
Sharp	1740	1770
Shimizu	1120	1150
Shinetsu Chem	1660	1620
Sony	8550	8590
Sumitomo Bk	2420	2370
Sumitomo Chem	628	630
Sumi Marine	1070	1010
Sumitomo Metal	532	532
Taisei Corp	1170	1190
Taisho Marine	1010	1020
Takeda Chem	1900	1940
TDK	6410	6390
Tellin	728	753
Tokyo Marine	1440	1470
Tokyo Elec Pw	3950	3950
Toppan Printing	1900	1940
Toray Ind.	788	786
Toshiba	1070	1100
Toyota	2340	2420
Yamaichi Sec	1240	1250

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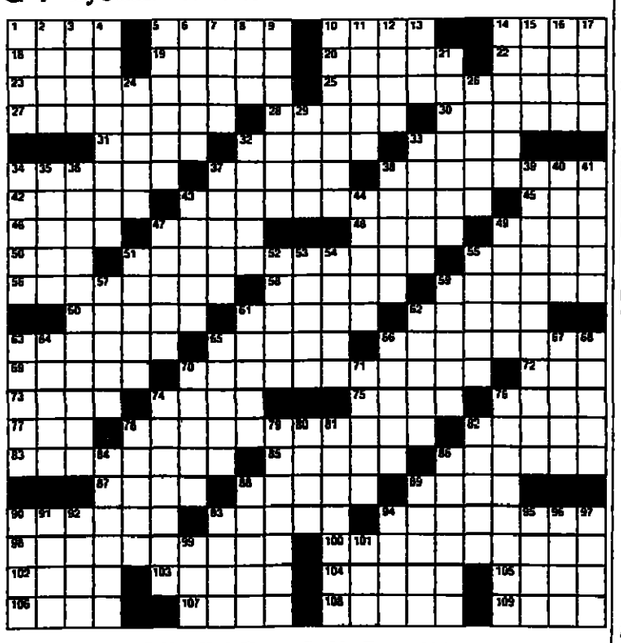

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5 Idols of sorts
6 "—— nice to have a man around . . ."
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14 Ameliorate
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49 Murrow's "—— Now"
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53 A Caucastan
54 Early Japanese immigrant
55 Concealed again
57 Like fertile land
59 —— a wet hen
61 "It Seems Like Old Times" composer
62 Additions: Abbr.
63 Sell tickets illegally
64 Presbyter
65 "Who touches ——. . .": Whittier
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67 Author of "The Cloister and the Hearth"
68 Glutted
70 Poet who was Flaubert's mistress
71 Cacophony
74 Source of Popeye's strength
76 Small landing field
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91 Inflatable beach mattress
92 Say the rosary
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94 Enoch's father
95 Adjutant
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97 To live, to Livy
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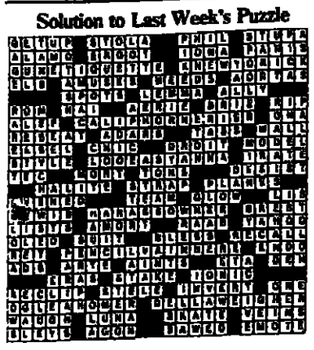
Solution to Last Week's Puzzle



SPORTS

The Wounds of Hillsborough Stadium Heal Slowly

In a hospital room in Keighley, England, the only sign of life from 19-year-old Tony Bland is an occasional blink or yawn.

Bland was caught in the crush at Hillsborough Stadium a year ago and remains unconscious. His parents say he "is in limbo somewhere" and, to try to touch some spark of life that might remain deep inside him, they have bombarded him with soccer.

"We have tried everything — showing him soccer matches on TV and playing his favorite commentaries and music through earphones," his father, Alan Bland, said. "His hospital room is covered with football memorabilia, but there is just nothing there."

By Larry Siddons
The Associated Press

SHEFFIELD, England — Soccer marks an anniversary this weekend of the type it alone among sports seems capable of producing.

A year ago Sunday, on a soft spring day, 95 fans were crushed to death as they watched the kickoff of an English playoff game at Hillsborough Stadium.

It was the highest documented death toll in European sports, more than from the riots of Heysel or the flames of Bradford City. It focused attention on dilapidated stadiums, antiquated attitudes and the danger fans face when they go to games.

For many of those who survived or lost family and friends, it also left a nightmare that has lasted for 12 months and may go on for many more.

"Each person has their own individual anniversaries, but Sunday is the one we all share," said Trevor Hicks, whose two teen-age daughters died in the crush. "It is a significant milestone for everyone. It marks the end of the first and perhaps the most difficult year."

"It doesn't get any easier — you just get more able to cope with the situation."

Hillsborough will be closed Sunday, with no ceremonies planned there. But in Liverpool, the home of most of the victims, some 30,000 people are expected to attend a memorial service at Anfield Stadium.

Next week, inquests begin into the 95 deaths. They are expected to lead to compensation claims that some lawyers have estimated could total $50 million.

More than $16 million, from donors worldwide, already has been placed in trusts for the families of those who died or suffered serious injuries.

As with most large-scale disasters, the mental aftershock of Hillsborough has been severe. Social service centers say about 300 fans regularly seek help.

"You have to listen to someone who breaks your heart," said Susan Jenkins, a counselor who deals with Hillsborough survivors. "They've been prisoners for the past year. There's so much raw feeling for the football club and so many people trying to make sense of it all."

Hicks is chairman of the Hillsborough Family Support Group, a clearinghouse for information in the aftermath of the tragedy and a pressure group trying to ensure that it does not recur.

•

A year ago, he was just a fan, traveling with his family from their suburban London home to this down-at-the-heels north England city to watch their beloved Liverpool play Nottingham Forest in the semifinals of the FA Cup, one of soccer's top tournaments.

The sky over Hillsborough was crystal clear. The temperature was balmy. It was a perfect day — until just before the kickoff.

Liverpool fans arriving late because of heavy traffic started to build up on Leppings Lane, a street of rowhouses and shops that hugs the stadium. They could not get through the turnstiles fast enough and the police, afraid that people in the swelling crowd outside would be injured, ordered a large gate opened to let them in.

Eager to get to their places in time for the start of play and left without directions by the police or stadium ushers, the fans ran toward the first entrance they saw — a large tunnel into the top of the standing-room section, or terraces, as they are known here.

The section already was full and the late surge pushed thousands of fans forward. Iron barriers gave way. People were trampled onto concrete. Those at the front, including dozens of teenagers, were crushed against steel-mesh anti-riot fences. With several tons of weight bearing down, life literally was squeezed out of them.

"At first, you didn't know anything was happening. There were so many people," said Graham Mackrell, secretary of Sheffield Wednesday, the club that calls Hillsborough home.

The game went on for several minutes. A government inquiry heard that police and ushers were slow to react, thinking at first that it was another case of rowdy behavior that has plagued soccer crowds for a decade. When the true nature was realized, inadequate exits prevented quick evacuation of the injured and dying.

•

The terrace at Hillsborough was left strewn with discarded clothing and twisted metal. The sidewalk outside, where the crush started, soon was filled with flowers and other tributes to the victims.

The 95 dead and 170 injured from the crush surpassed the 39 fans killed in riots at the European Champions' Cup final at Heysel Stadium in Brussels in May 1985; the 56 burned to death in a fire at the soccer stadium in Bradford, England, 11 days earlier; and the 66 crushed to death when a stairway collapsed at Ibrox Stadium in Glasgow in January 1971.

English soccer took a few days off to mourn. Then Liverpool went on to win the cup and miss the league championship by one goal in the last minute of the season.

Just before the start of the new season in August, the inquiry led by Appeals Court Justice Peter Taylor issued its report. It criticized police and soccer authorities for slipshod planning but saved its strongest blast for stadiums where the games are played and the attitude officials have toward their fans.

"Football supporters have put up with conditions on the terraces over the years that should not be required of them," Taylor wrote. In a later report, he compared fans in England's century-old stadiums to prisoners of war.

Soccer is working to meet one of Taylor's main recommendations — the elimination of standing-room areas. It also is slowly taking down the eight-foot-high (2.4-meter-high) stockades such as those that acted like death traps at Hillsborough, replacing them with moats and much-lower fences.

"Grounds are a bit safer than they were, though they are still far from satisfactory," Hicks said. "There is still a lot to be done, and we will make sure it happens."

Mackrell said "categorically" that all possible precautions had been taken before last April's tragedy but that too many people showed up too close to kickoff.

At the same time, he said, Sheffield Wednesday officials accepted the Taylor report's findings and were trying to meet its recommendations.

Earlier this month, officials agreed to remove the stadium's perimeter fences at the end of this season, and in Mackrell's office at Hillsborough is a section of plastic seating, one of many under consideration to replace the terraces.

The standing-room section at Leppings Lane has been spruced up, the fences and crush barriers painted the bright blue of the sky that fateful day a year ago. But no fan stands there when Wednesday plays, nor are they likely to again, Mackrell said.

"They took some of the barriers away for metallurgical testing in the inquiry, so without them the area does not meet safety standards," he said. "But there is the emotional factor as well. I don't think it will reopen as terraces. I think we will wait until it has been replaced by seats."

•

Soccer is the world's most-popular sport. Millions of fans jam stadiums around the world each weekend for games, and this summer's World Cup is expected to attract television audiences in the billions.

With the popularity has come an emotional attachment that no other sport can match. This almost-religious bond between team and fan is what many experts believe leads to tragedies such as Hillsborough and, in turn, will make dramatic change difficult.

"It is so big, the biggest number of people you have gathered in one place at one time. And to these people, soccer transcends it all," Mackrell said.

He noted that efforts to bring people to stadiums early, as American sports do and as Taylor recommended, had failed dismally with soccer.

"People pay their money and they want to watch soccer, not majorettes," he said. Likewise, Mackrell said, tradition and transition would prove obstacles to implementing some other reforms.

The objections to eliminating standing room will be loud, he said, noting that recent opinion polls found less than half the fans sampled wanted stadiums changed to all-seats.

"It has mostly to do with a feeling of membership, of being with your friends," he said. "Standing is what soccer fans like to do."

"And the Taylor report suggests that stadiums be built in greenfield (parkland) sites. This stadium was built on greenfield at the turn of the century, but it didn't take 20 years before the area around it was built up."

The anniversary falls on Easter, and full English soccer league cards are scheduled Saturday and holiday Monday. Liverpool plays twice and would move toward a record 18th league title if it wins both.

Attendance is up for the fourth consecutive year in the league. TV ratings are high. The national team has a chance for the World Cup title in Italy this summer. Despite all the problems it faces, soccer in England is booming and its hold on fans remains tight.

That hold is evident in the hospital room in Keighley, where Tony Bland lies unconscious amid his soccer memorabilia.

Agence France-Presse

'Grounds are a bit safer than they were, though they are still far from satisfactory. There is still a lot to be done, and we will make sure it happens.'
Trevor Hicks, Hillsborough Family Support Group.

SIDELINES

Top Seeds Outlast Foes in Tokyo

TOKYO (UPI) — Top-seeded Ivan Lendl, Stefan Edberg and Brad Gilbert each overcame three rain delays and their opponents Friday, advancing to the semifinals of the $1 million Japan Open.

The match between the No. 4 seed Aaron Krickstein and No. 5 Michael Chang was suspended after a fourth rain delay. Krickstein won the first set and took the first game of the second set before play was halted.

Lendl defeated No. 10 Amos Mansdor of Israel, 6-4, 6-2. Edberg defeated American Jim Grabb, 6-3, 6-3, and Gilbert defeated Australian Wally Masur, 6-1, 7-6 (7-4).

Edberg will face Gilbert in the semifinals while Lendl meets the winner of the Krickstein-Chang match.

"The playing conditions were very, very bad," Lendl said. "I didn't understand it. It affected both of us. It was very unfair to both of us."

2 Share Lead at 67 in Cannes Golf

MOUGINS, France (AP) — Mike Harwood of Australia and Ross Drummond of Scotland, both shooting 5-under-par rounds of 67, edged a shot clear of the field after the first round Friday in the $510,000 Cannes Open golf tournament.

They were followed by American Peter Teravainen and Anders Sorensen of Denmark who both shot 68 over the 6,205-meter Mougins Country Club course.

Harwood picked up five birdies in a bogey-clear round. Drummond collected seven birdies but dropped two shots to par.

Rose Banned From Phillies Reunion

NEW YORK (AP) — Pete Rose will not be allowed to take part in the 10th anniversary reunion of the Philadelphia Phillies World Series championship team in the fall because of his lifetime ban from baseball, the commissioner, Fay Vincent, said.

Rose, the former Cincinnati manager who is baseball's all-time hits leader, was banned from baseball last Aug. 24 by A. Bartlett Giamatti, then the commissioner, after a six-month investigation determined he had gambled on several sports.

Maryland Halts Sports Scholarships

COLLEGE PARK, Maryland (AP) — The University of Maryland has frozen scholarships for all varsity sports, citing anticipated revenue losses of up to $4 million over the next two years stemming from recent sanctions imposed on the men's basketball program by the National Collegiate Athletic Association.

Lew Perkins, the athletic director, said the university will honor scholarships already accepted. The football and basketball teams have already signed virtually all of their players for next season, The Washington Post reported Friday.

The NCAA has banned Maryland from post-season play for the next two years and from live television next season. Maryland has also been ordered to return $407,000 in basketball tournament receipts.

For the Record

Diego Maradona of Argentina, who's getting in shape for the World Cup finals, will need new soccer shoes after losing about seven kilograms (15 pounds), which caused his feet to shrink by half a size. *(AP)*

PSV Eindhoven's injured striker, Romario, will be included in Brazil's 22-man squad for the World Cup finals to be named on Monday, Sebastiao Lazaroni, the national coach, said. Romario has had two operations since he broke his right leg on March 4. *(Reuters)*

Ruud Gullit, the Dutch soccer international sidelined for almost a year, said he may play for his club, AC Milan, on April 22 if his knee specialist gives him the go-ahead. *(Reuters)*

Quotable

• Calgary's coach, Terry Krisp, on the Flames' 12-4 NHL playoff loss to Los Angeles on Tuesday night: "We were spanked damn good. We were not happy about that and we want to rectify matters." (The Flames won, 5-1, on Thursday.) *(AP)*

BOOKS

A HISTORY OF WEST GERMANY: Volume I: From Shadow To Substance, 1945-1963; Volume II: Democracy and Its Discontents, 1963-1988

By Dennis L. Bark and David R. Gress. 1,146 pages. $34.95 per volume. Basil Blackwell, 432 Park Avenue South, New York, N. Y. 10016.

Reviewed by Norman Stone

MARGARET THATCHER and her foreign secretary have been curmudgeonly toward the unification of Germany. What do they worry about? West Germany, an Anglo-American creation in 1949, has become in most ways a model European state.

We have won the war, in the sense that the old German Adam is no more. Since the German economy is so strong, we have a very valuable partner and ally. Who would have expected this in 1945, when the Germans were widely hated?

Dennis L. Bark and David R. Gress, historians with the right background, have written the history of this miracle, in two large volumes (1945-1963 and 1963-1988, respectively). Their basis is broad and powerful.

They have read their way through a prodigious number of works, and pay proper respect to the six-volume Brockhaus Geschichte der Bundesrepublik ("The Brockhaus History of the Federal Republic") that appeared in the 1980s — a work, they say rightly, that has no equivalent in any other language or for any other country. Their own approach is chronological, with the stress on foreign political considerations.

The first volume is dominated by the integration of West Germany into NATO, the European Community, etc., and the second by "Ostpolitik," the increasingly close relations with Eastern Europe, East Germany in particular. Personalities are handled well, with Adenauer presiding over the first volume, and Brandt over the second.

The second volume was finished some months before the Berlin Wall came down, and so the authors could not begin to attempt speculations about the future. But they have no doubt that West Germany "can provide leadership that is strong, wise and judicious."

We in Britain and the United States will have to do our homework to follow Germany's new role in Europe, and the homework begins with Bark and Gress, whose book, encyclopedic in scope and depth, is well-organized and plainly written, making things quite easy for the reader.

Whether on de-Nazification, or on that endlessly apologetic natural consciousness, or on that movement in the late 1960s when in West Berlin of all places the students turned Marxist, the writers can be read with profit.

They are also sound and informative on cultural matters. I should have liked to see them put boot with much greater vigor into those mountebanks who persist in treating great operas as a fit subject for facile left-wing interpretations. Do these people just hate the German past, or what?

A feeling, too, emerges of the provinciality of so much of German life: often a healthy provinciality, in that the life of the provinces is not sucked out by a great metropolis, as happens all too often with London and Paris.

We seem, now, to be on the verge of another German unification. Will it bring power politics, and a new strategy of friendship with Russia at the expense of "Europe" and the Atlantic? I doubt it.

East Germany, with its crippled socialist economy, will be a burden, not a gain. And in any case the character of Germany is now quite different, thanks to very good work done by Britain and especially the United States.

It would, I think, be a very suitable thing if, upon the unification of Germany, a well-executed monument is put on the river Oder, with the legend: "To the people of the United States, the German people say thank you. You saved them from themselves."

Norman Stone is professor of modern history at Oxford University. He is the author of "The Eastern Front, 1914-1917" and "Europe Transformed, 1878-1919." He wrote this for The Washington Post.

BRIDGE

By Alan Truscott

ONE of the greatest female players in the history of the game died in January, just short of her 88th birthday. She was Margaret Wagar, an Atlanta resident most of her life, who retired from the game in 1978. In 1955-58 she set a record, never likely to be equaled, by winning a national pairs championship four straight times. It was the Women's Pairs, and her partner was the late Kay Rhodes. Her 24 national titles included two victories in the prestigious Spingold Knockout Teams, in 1946 and 1948. On the latter occasion she held the South cards shown, and turned a defeat into a victory with a Chinese finesse.

Her partner was the late John Crawford, and he bid a confident seven spades when South's rebid was a jump to four spades, showing, by agreement, a solid suit. He hoped that his partner held a seven-card suit, or a side king, or the diamond jack, but she had none of them.

But Wagar showed no signs of dismay on viewing the dummy. She drew trumps and led the heart queen for a 'finesse.' When it held the trick she established a diamond winner in dummy by ruffing the fourth round, making the grand slam.

West should no doubt have covered with the king, for if South held a Q-J-10 or Q-J-9 combination the grand slam would be unbeatable, but Wagar gets the credit for a bold swindle. "Never in my life," said Crawford later, "have I seen a woman lead a queen so much as if she had the jack."

NORTH
♠ 85
♡ A 9
◇ A K Q 5 4
♣ A 9 8 7

WEST
♠ 10 7 4 3
♡ K 5 2
◇ 10 8 6 3
♣ K 4

EAST
♠ 2
♡ J 8 7 4
◇ J 9 2
♣ Q 6 5 3 2

SOUTH (D)
♠ A K Q J 9 8
♡ Q 10 9 6 3
◇ 7
♣ J 10

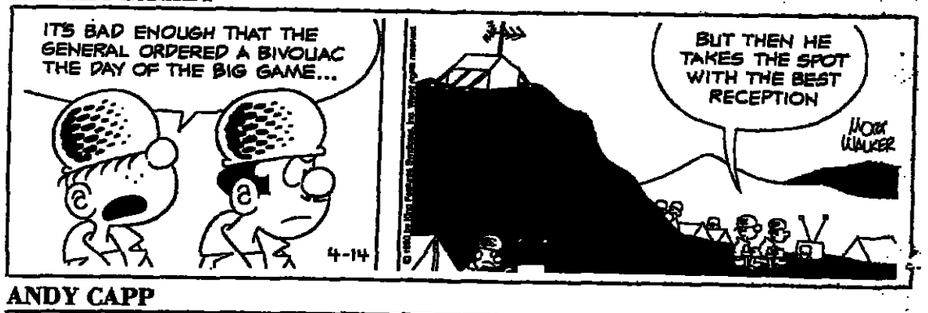
Neither side was vulnerable. The bidding:

South	West	North	East
1 ♠	Pass	2 ◇	Pass
4 ♠	Pass	7 ♠	Pass
Pass	Pass		

West led the spade three.

PEANUTS

BEETLE BAILEY



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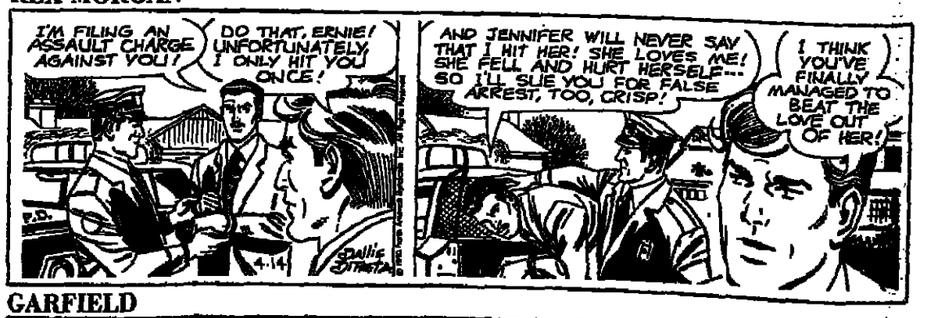
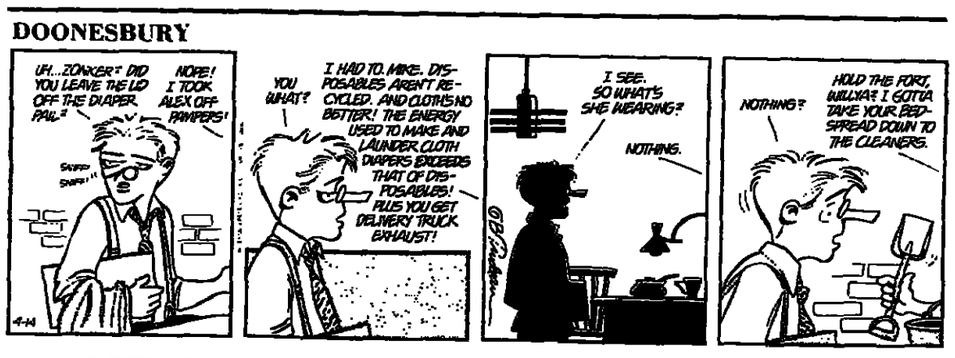
WIZARD of ID

REX MORGAN



DOONESBURY



DENNIS THE MENACE

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

PYTEM

SIADY

COBDIE

RILIVE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: ( ) " ( ) "

(Answers Monday)

Yesterday's Jumbles: BLAZE CLOAK LUNACY PACKET
Answer: What it takes to have no eyebrows— A LOT OF PLUCK

BLONDIE

GARFIELD

هكذا من الاصل

SPORTS

Maple Leafs Eliminated by Blues, Flames Stay Alive by Routing Kings

The Associated Press

After losing seven of eight games to the Toronto Maple Leafs during the regular season, the St. Louis Blues knocked Toronto out of the National Hockey League playoffs in five games with a 4-3 victory Thursday night in St. Louis.

The Blues became the first team to advance in the NHL playoffs.

NHL PLAYOFFS

moving into the Norris Division finals against the winner of the Chicago-Minnesota series. The Blackhawks went up three games to two in that best-of-seven semifinal with a 5-1 victory over the North Stars.

Both starting goalies, Jeff Reese of Toronto and Curtis Joseph of St. Louis, were injured in the third period and had to leave the game.

Gary Leeman got his second goal with 6:17 left off Joseph's replacement, Vincent Riendeau, to cut Toronto's deficit to one. But Riendeau stopped Daniel Marois on a breakaway with 4:44 to go.

Riendeau profited by watching all of the series. He said he knew Marois would try to hold the puck to the last second and then try to beat him with a high shot.

"That's his favorite shot," Riendeau, who made a glove save, said. "He tries to hold on, hold on, get you back in the net, then throw it upstairs."

Blackhawks 5, North Stars 1: In Chicago, Jeremy Roenick and Denis Savard scored first-period goals for the Blackhawks, who were in such command in that period that they had a 14-2 edge in shots on goal. The North Stars never seriously threatened.

"I don't know about a perfect game, but I know we played well from start to finish," the Blackhawks' coach, Mike Keenan, said.

Flames 5, Kings 1: In Calgary, Alberta, defenseman Ric Nattress, who had only one goal during the season, scored twice as Calgary stayed alive in a bid to repeat as Stanley Cup champions.

Rob Blake ruined the shutout bid by Calgary goaltender Mike Vernon with a goal early in the third period.

Joe Nieuwendyk, who had a power-play goal and three assists, said the Flames were motivated by fear. "We were all afraid of what might happen," he said. "The guys were quiet, not saying anything. We knew it was going to be tough, but we showed a lot of composure."

Oilers 4, Jets 3: In Edmonton, Alberta, Mark Messier scored the winning goal early in the third period as the Oilers kept their playoff hopes alive.

Goaltender Bill Ranford made a brilliant pad save on Jets forward Dale Hawerchuk with less than a minute left in the third period to preserve the fragile lead. The Oilers also killed off a late Jets power play.

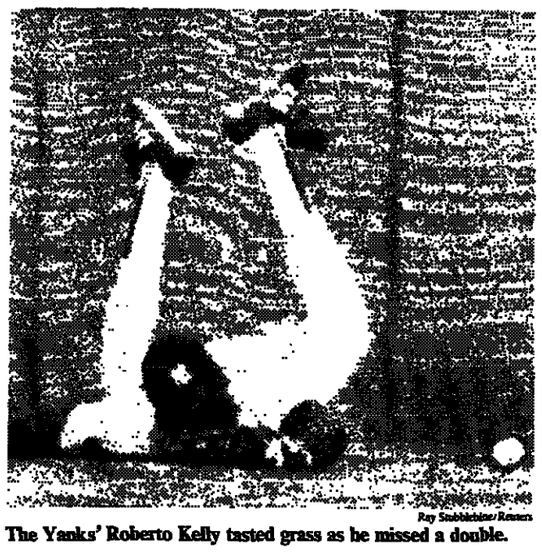
■ Nilan Out for Season

Chris Nilan of the New York Rangers broke his right arm during the playoff game against the New York Islanders Wednesday night and will miss the rest of the season, The Associated Press reported from New York.

Nilan broke the ulnar bone in his arm during the first period, a Rangers spokesman said Thursday. Nilan played for two periods before leaving in the third.

Andy Cenrin/The Associated Press

Lou Franceschetti looks to score past St. Louis goalie Curtis Joseph before the goalie was hurt.



Ray Stubblebine/Reuters

The Yanks' Roberto Kelly tasted grass as he missed a double.

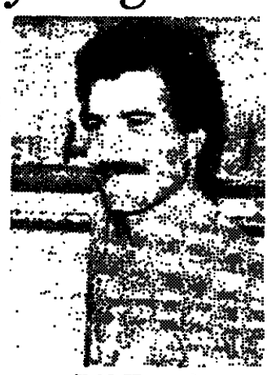
Veteran Hernandez Finds Everything New

The Associated Press

NEW YORK — The jersey was new, just like the league. Keith Hernandez was in unfamiliar territory, starting the next — perhaps final — stage of his career.

He was sitting in front of his stall at Yankee Stadium, dragging on a cigarette and sipping a beer. Nothing had changed, yet everything was different.

Yes, he was in New York for opening day. But he was in the Bronx, at Yankee Stadium, not Queens. He was wearing the navy blue of the Cleveland Indians, not the royal blue of the New York Mets. And he was in the American League, not the National.



Keith Hernandez

After 17 seasons in the National League with the St. Louis Cardinals and the Mets, Hernandez began his American League career Thursday by going 1-for-4 in Cleveland's 6-4 loss to the New York Yankees.

He looked a little strange with Chief Wahoo on the collar of his turtleneck. But the stroke was the same. Fly to deep left. Sharp single down the right-field line.

"It's different. But it doesn't feel strange," Hernandez said. "It's the first game of the year, too, so you have the nervous jitters."

After the 1989 season, the Mets let Hernandez become a free agent. He signed with Cleveland for $3.5 million over two years.

The Mets wanted to go with youth, so they cut loose Hernandez and Gary Carter.

"I understand that," Hernandez said. "I was young and I took Joe Torre's job and they traded Joe Torre. Now, I'm the 36-year-old."

When he started looking for teams, Hernandez made it known that he wanted to go where he could play every day. Houston was interested, but only as a backup to Glenn Davis. Oakland wanted him, but only as a designated hitter. The Indians were the only team that offered a starting job.

"I'm not ready to be a backup," Hernandez said.

The dollars helped make his decision, but he says that wasn't the key.

"Come on, money's a factor," he said. "I'm 36 years old. I've been through a divorce where I lost some money. But it's important for an athlete to feel wanted, and that's why I chose Cleveland."

Hernandez was bothered by leg injuries the last two seasons. He was batting .282 when he broke his kneecap last May 17 and finished at .233 with four home runs and 19 runs batted in in 75 games.

Even though he's playing in Cleveland, Hernandez kept his New York apartment. He's been seen around town with the actress Marsha Mason.

Winfield, Mattingly Surprise Indians as Yankees Win, 6-4

The Associated Press

It was just what the New York Yankees hoped to see — Dave Winfield and Don Mattingly together again, back in the swing.

Winfield and Mattingly did the early damage and pinch hitter Luis Polonia singled home the tiebreaking run in the eighth inning Thursday as the Yankees beat the Cleveland Indians, 6-4, in New York in a twice-delayed season opener.

"To get the first hit, to score the first run, it felt good," said Win-

BASEBALL ROUNDUP

field, who missed the entire 1989 season after back surgery. "Everything I do is kind of new. It's like I'm a rookie."

Winfield went 1-for-29 in spring training, fueling speculation that he might not be able to come back at age 38. But he led off the second inning with a hard double down the left-field line for his first official hit in 568 days.

Mattingly, who signed a new $19 million contract this week, worried about another of his notorious slow starts. He is a career .285 hitter in April, 47 points below his lifetime average, and hit .221 with no home runs and no runs batted in the first month last year.

This time he had two hits and singled home a run.

Cleveland tied it, 4-4, in the eighth on a two-run bloop single by Candy Maldonado. Jesse Barfield drew a one-out walk from Jesse Orosco in the bottom half, Roberto Kelly beat the double-play relay on a force play and Bob Geren singled for his third hit.

Doug Jones relieved and Polonia singled on the first pitch. The Yankees added another run on a single by Steve Sax that second baseman Jerry Browne threw away for an error.

The hit came in Polonia's first at-bat since he was jailed for 27 days in Wisconsin in the off-season for a sex offense involving a minor.

Tigers 11, Red Sox 7: In Detroit, Lou Whitaker hit his 150th career home run, and Tony Phillips had four hits as Detroit snapped an 11-game losing streak against Boston.

The victory kept the Tigers from matching their longest regular-season losing streak to one team. Detroit lost 12 straight to Minnesota in 1988-89 and to Cleveland in 1950-51. The Red Sox remained one victory short of 7,000.

Blue Jays 7, Rangers 1: In Toronto, Kelly Gruber hit a three-run home run, and Fred McGriff hit his first home run in 108 at-bats.

McGriff's second-inning homer off Jamie Moyer tied the game, 1-1. McGriff led the American League with 36 home runs last season, but his last was on Sept. 4.

Angels 3, Twins 1: Kirk McCaskill pitched California to its third straight victory, and third baseman Gary Gaetti's two errors led to three unearned runs in Anaheim, California.

McCaskill allowed three hits in six innings but walked five. Minnesota loaded the bases in the seventh on two-out singles by Greg Gagne and Jim Dwyer and John Moses's walk. Mark Eichhorn relieved, got Randy Bush on a groundout and finished with one-hit relief.

Phillies 5, Cubs 4; Cubs 6, Phillies 3: In the National League, Doug Dascenzo hit a two-run home run and scored the go-ahead run on a passed ball for the Cubs for a doubleheader split in Chicago. In the first game, Ricky Jordan drove in three runs for Philadelphia.

Ryne Sandberg of Chicago played his 92nd straight errorless game to set a major league record for second basemen over two seasons. Sandberg also was errorless in the second game.

Pirates 6, Mets 2: In New York, Barry Bonds drove in three runs and threw out a runner at the plate. Bonds, the subject of trade rumors throughout the winter, had a two-run single in the second inning and an RBI double in the seventh.

Padres 8, Dodgers 6: A two-run single by Joe Carter, his first hit in 15 at-bats, broke an eighth-inning tie in San Diego.

The Padres loaded the bases with no outs on two walks by Don Aase and an error by shortstop Alfredo Griffin. Carter and Benito Santiago hit two-run singles for an 8-4 lead.

Giants 13, Braves 4: In Atlanta, Will Clark drove in three runs with two hits and finished the three-game series 7-for-12 with five RBIs. San Francisco had 14 hits in its second rout of Atlanta in three games.

Brett Butler walked five times, tying the major league record held by many.

Reuters

Terry Kennedy of the San Francisco Giants meets on the mound with pitcher Mike Lacoss. The Giants beat Atlanta in a rout, 13-4.

AP

Luis Polonia: Big single.

Public Works Delays Could Hamper Cup

The Associated Press

ROME — Italian stadiums will be ready for the World Cup, but several major public works projects won't be completed in time for the monthlong soccer competition starting June 8, Italy's minister for urban affairs has reported.

In a report to Parliament on Thursday, Carmelo Conte warned that work on several new roads, parking areas and subway lines would not meet the deadline. He blamed red tape, fatal construction-site accidents, lack of organization and even archaeological discoveries.

Conte also cited skyrocketing costs, noting that work on the Turin, Rome and Naples stadiums is costing from 86 percent to 126 percent more than initial estimates.

Conte also reported that 24 people have been killed in World Cup construction accidents.

He said the rate of accidents was 15 times higher than the average.

Conte said work on subway lines and stations is incomplete in Milan, Naples and Rome.

The list of works which will be unfinished by the World Cup include parking areas at the Turin airport and near the Rome and Florence stadiums, as well as new roads in Bari, Palermo, Rome and Verona.

In Verona, where Uruguay, Belgium, Spain and South Korea will play in Group-E, work on an underpass was blocked after diggers found archaeologically important remains.

A parking lot in Florence won't be finished because residents opposed to the construction have taken the case to court.

Conte said that 5.4 trillion lire ($4.5 billion) has been invested in public works so far and that a final report on the state of works and expenditure will be delivered by the end of May.

Oakland's Not-So-Open Arms

Protests of Raiders' Return Creating a Political Fracas

By Jane Gross
New York Times Service

OAKLAND, California — The city that fought so bitterly to keep the Raiders from moving to Los Angeles nine years ago is no longer sure it wants the swaggering National Football League team back.

When the Raiders announced last month that they wanted to return, embracing the city they had once so cruelly jilted for what they hoped would be a greener pasture, both city and county leaders rushed to approve the most lucrative franchise deal in sports history, a move that they expected to be greeted by a civic celebration.

But what seemed a safe political issue has inspired a firestorm of protest, with a petition drive to put the matter on the Oakland ballot and demonstrations by groups that think the city has more pressing needs than a football team.

The issue of the Raiders' return has transformed the mayoral race here.

Candidates in the June election have lined up on either side of the deal, pushing concerns about the crumbling school system, the drug epidemic and the damage from last year's earthquake way down on the agenda.

The talk is dominated by ticket guarantees, operating loans and tax-exempt bonds.

"This is a very strongly felt issue for the people of Oakland," said Don Perata, chairman of the Alameda County Board of Supervisors, who steered the negotiations with the Raiders for the last 16 months. "It convulses people."

It is far from clear how the imbroglio will be resolved.

Opponents of the deal have submitted 33,189 signatures to the city clerk, thought to be more than enough to qualify a referendum.

But Oakland's city attorney has said the issue is not appropriate for voter consideration, setting the stage for a court battle.

If a judge rules that the matter can be voted on, or the City Council reverses itself in response to the popular outcry, the deal is expected to collapse.

Already, the outrage has caused the original deal to be rewritten and subject to new votes by the

What seemed a safe political issue has inspired a firestorm, with demonstrations by groups that think the city of Oakland has more pressing needs than a football team.

City Council and the Board of Supervisors, both of which are involved because the Coliseum, home of the Oakland A's baseball team, is jointly owned by the city and county.

The original 15-year deal, among other provisions, guaranteed the Raiders $602 million in ticket revenue, leaving the public treasury at risk if not enough seats are sold.

The new deal reduces that guarantee to $428 million.

Proponents of the deal have tried to demonstrate that there is no real risk by beginning an advance ticket drive for the 1992 season, when the Raiders would arrive here if all goes according to plan.

Within a few days, fans had bought 38,318 of the 57,000 tickets available, leaving behind $5 million in deposits.

But while Raider fans were pledging to buy tickets, citizens of Oakland were signing petitions, overloading the telephone switchboard at the City Council chamber and marching on the office of Mayor Lionel Wilson.

Wilson was a reluctant supporter of the deal at first, but has now been cast as one of its primary cheerleaders by his opponents.

At a public hearing last month when the first vote was taken, 144 people spoke and they were evenly divided.

Most of those favoring the Raiders' return were young white men in silver and black football regalia. "Beer-guzzling bikers," said Mary Moore, a City Council member who opposes the deal.

She says all the support has come from communities outside Oakland, where urban problems are less severe and resources less pinched.

When the council and the board hurried to vote that very night, many of those who were at the hearing or watching on television grew angrier still at what they perceived as an unresponsive political process.

"People felt that it was basically a done deal," said Frank Russo, a lawyer who led the petition drive.

Perata believes the Raiders would be a boon, that the deal is a good one and that the political leaders acted wisely.

"But the only ultimate validation is if the Raiders come back and all is forgiven," he said. "And in the short term, none of us looks like a genius."

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division

	W	L	Pct	GB
x-Philadelphia	50	26	.641	—
Boston	48	29	.623	1½
New York	44	33	.571	5½
Washington	29	48	.377	20½
Miami	17	60	.221	32½
New Jersey	17	60	.221	32½

Central Division

	W	L	Pct	GB
x-Detroit	56	21	.727	—
x-Chicago	52	23	.693	3
Milwaukee	41	36	.532	15
Indiana	39	38	.506	17
Atlanta	37	40	.481	19
Cleveland	37	40	.481	19
Orlando	17	59	.224	38½

WESTERN CONFERENCE

Midwest Division

	W	L	Pct	GB
x-Utah	53	23	.697	—
x-San Antonio	51	25	.662	2½
Dallas	43	34	.558	10½
Denver	39	38	.506	14½
Houston	38	38	.500	15
Minnesota	21	55	.276	32
Charlotte	18	59	.234	35½

Pacific Division

	W	L	Pct	GB
x-LA Lakers	58	18	.763	—
x-Portland	54	22	.711	4
x-Phoenix	53	25	.679	6½
Seattle	36	39	.494	20½
Golden State	35	42	.455	23½
LA Clippers	30	48	.385	29
Sacramento	23	55	.295	36

x-clinched playoff berth

THURSDAY'S RESULTS

Miami 25 22 47 24—118
Boston 31 28 21 47—139

Douglas 15-21 4-8 37, Rice 13-22 0-0 28; Bird 4-23 10-10 18, McHale 7-18 10-10 24. Rebounds: Miami 28 (Long, Thompson 5), Boston 47 (Parish, Lewis 10). Assists: Miami 32 (Douglas 14), Boston 38 (Bosley 10).

Minnesota 37 14 18 16— 77
Philadelphia 28 21 37 26—112

Corbin 6-10 0-0 12, Campbell 6-12 2-3 11; Anderson 9-14 2-3 20, Hawkins 4-18 10-10 19. Rebounds: Minnesota 47 (Breuer 6), Philadelphia 47 (Malone 11). Assists: Minnesota 18 (Richardson 5), Philadelphia 25 (Dawkins 6).

Cleveland 29 18 27 28—102
Washington 31 22 34 13—100

Price 10-19 0-0 25, Daugherty 8-15 6-10 22; Nelson 10-27 1-2 29, King 8-19 5-10 21. Rebounds: Cleveland 49 (Daugherty 11), Washington 61 (Walker 14). Assists: Cleveland 24 (Price 10), Washington 25 (Walker 11).

Indiana 16 29 31 23—100
New York 31 23 27 27—108

Miller 9-15 0-10 20, Smits 7-13 6-6 18; Ewing 8-26 4-4 20, G.Wilkins 7-13 2-2 17. Rebounds: Indiana 41 (Schrempf 11), New York 53 (Ewing 15). Assists: Indiana 21 (Schrempf 6), New York 22 (Cheeks, Jackson 8).

LA Clippers 21 26 25 26— 98
San Antonio 22 36 16 29—103

Manning 9-15 5-6 23, Benjamin 7-13 7-8 21; Robinson 12-22 9-10 32, Anderson 11-20 4-4 26. Rebounds: Los Angeles 55 (Benjamin 14), San Antonio 49 (Robinson 12). Assists: Los Angeles 1 (Garrick 7), San Antonio 26 (Strickland 8).

LA Lakers 26 18 27 23—104
Utah 31 28 27 21—107

Worthy 12-19 8-10 33, Johnson 4-11 11-12 20; Malone 17-27 11-13 45, Stockton 6-12 3-5 15. Rebounds: Los Angeles 49 (Green 18), Utah 48 (Malone, Eaton 11). Assists: Los Angeles 20 (Johnson 9), Utah 27 (Stockton 22).

Charlotte 28 26 29 37—120
Houston 32 22 33 30—117

Gilliam 13-19 4-4 30, Tripucka 5-18 6-7 16; Rogers 8-15 5-8 16; Olajuwon 13-19 8-11 34, Johnson 12-18 4-7 28. Rebounds: Charlotte 43 (J.R.Reid 9), Houston 53 (Olajuwon 19). Assists: Charlotte 26 (Rogers 9), Houston 31 (Maxwell 10).

Phoenix 29 34 28 25—116
Sacramento 25 32 21 31—109

K.Johnson 11-19 10-11 32; E.Johnson 11-20 5-5 29; Tisdale 13-24 3-3 29, McCray 8-17 5-5 21, Alnye 9-20 1-1 21. Rebounds: Phoenix 54 (Chambers 12), Sacramento 47 (Tisdale, Ellison 6). Assists: Phoenix 30 (K.Johnson 9), Sacramento 33 (McCray 12).

Denver 28 22 30 23—103
Seattle 27 25 37 24—113

Adams 4-8 5-8 14, Lever 6-13 2-2 15, Rasmussen 6-13 3-4 15; McDaniel 11-23 4-4 26, Ellis 9-19 5-7 24. Rebounds: Denver 49 (Lever, Schayes 9), Seattle 69 (Case 14). Assists: Denver 19 (Adams, Lever 4), Seattle 27 (McKey 7).

Dallas 39 25 33 33—140
Golden State 45 25 29 34—133

Perkins 19-26 4-7 45, Torpley 12-19 1-2 27; Hardaway 10-15 7-8 28, Richmond 12-19 3-3 27. Rebounds: Dallas 54 (Torpley 15), Golden State 45 (Tolbert 15). Assists: Dallas 37 (Blackman 10), Golden State 27 (Hardaway 15).

HOCKEY

NHL Playoffs

DIVISION SEMIFINALS
(Series are best of 7 games.)

Patrick Division

New York Rangers lead New York Islanders 3-1
Washington and New Jersey tied 2-2

Adams Division

Boston and Hartford tied 2-2
Buffalo and Montreal tied 2-2

THURSDAY'S RESULTS

Norris Division

Minnesota	0	1	0—1
Chicago	2	1	2—5

First Period—1, Chicago, Roenick 3 (Savard, Wilson), 10:17 (pp). 2, Chicago, Savard 2 (Yawney, Larmer), 13:26. Second Period—3, Chicago, Gilbert 2 (Lemieux, T.Murray), 4:53. Chicago, Gilbert 2 (Lemieux, T.Murray), 4:53. Chicago, Gilbert 2 (Lemieux, T.Murray), 4:53. Third Period—4, Minnesota, Bellows 4, 9:24 (pp). 5, Chicago, Gould 1 (Savard, Larmer), 14:37. 6, Chicago, Thomas 2 (Presley, Roenick), 17:48.

Shots on goal—Minnesota (on Millen) 2-15-10—27. Chicago (on Casey) 14-10-12—36.

Chicago leads series 3-2

Toronto	1	1	1—3
St. Louis	2	2	0—4

First Period—1, St. Louis, Chase 1 (Sweeney, Brown), 4:08. 2, St. Louis, Hull 4 (Zezel, Momesso), 4:48. 3, Toronto, Leeman 2 (Ramage), 19:32 (pp). Second Period—4, St. Louis, Zezel 1 (Oates, Brown), 4:14 (pp). 5, Toronto, Pearson 2 (Olczyk, Leeman), 5:08. 6, St. Louis, Hull 5 (Oates, Zezel), 9:29 (pp). Third Period—7, Toronto, Leeman 3 (Osborne, Olczyk), 13:47.

Shots on goal—Toronto (on Joseph, Riendeau) 10-5-4—21. St. Louis (on Reese, Baxter) 9-12-13—34.

St. Louis won series 4-1

Smythe Division

Los Angeles	0	0	1—1
Calgary	1	2	2—5

First Period—1, Calgary, Murzyn 2 (Nieuwendyk, Fleury), 15:57. Second Period—2, Calgary, Nieuwendyk 3 (MacInnis, Roberts), 2:35 (pp). 3, Calgary, Nattress 1 (Nieuwendyk, Fleury), 6:30. Third Period—4, Los Angeles, Blake 1 (Semenko, Kudelski). 5, Calgary, Nattress 2 (Ranheim, Macoun), 5:53. 6, Calgary, Roberts 2 (Nieuwendyk), 9:26.

Shots on goal—Los Angeles (on Vernon) 5-4-10—19. Calgary (on Hrudey) 9-17-9—35.

Los Angeles leads series 3-2

Winnipeg	1	2	0—3
Edmonton	2	1	1—4

First Period—1, Edmonton, Tikkanen 2 (Kurri, Simpson), 8:08 (pp). 2, Winnipeg, Steen 1 (Mantha, Ellyniuk), 19:00 (pp). Second Period—3, Winnipeg, Posiewski 1 (Howerchuk), 1:38. 4, Winnipeg, Ashton 2 (Glouston, Numminen), 7:47 (pp). 5, Edmonton, Simpson (Muni, Messier), 13:57. 6, Edmonton, Lamb 3 (Tikkanen, Ruotsalainen), 14:10. Third Period—7, Edmonton, Messier 2 (Anderson, Simpson), 3:53.

Shots on goal—Winnipeg (on Ranford) 11-14-4—29. Edmonton (on Beaupreard) 11-13-9—33.

Winnipeg leads series 3-2

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
New York	1	0	1.000	½
Boston	3	1	.750	—
Toronto	2	2	.500	1
Baltimore	1	1	.500	1
Detroit	1	3	.250	2
Cleveland	0	1	.000	1½
Milwaukee	0	2	.000	2

West Division

Chicago	2	0	1.000	—
California	3	1	.750	—
Oakland	2	1	.667	½
Texas	2	2	.500	1
Kansas City	1	1	.500	1
Seattle	1	2	.333	1½
Minnesota	1	3	.250	2

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
Chicago	2	1	.667	—
Pittsburgh	2	1	.667	—
St. Louis	2	1	.667	—
Montreal	1	2	.333	1
New York	1	2	.333	1
Philadelphia	1	2	.333	1

West Division

Cincinnati	3	0	1.000	—
San Francisco	2	1	.667	1
Los Angeles	2	2	.500	1½
San Diego	2	2	.500	1½
Atlanta	1	2	.333	2
Houston	0	3	.000	3

Thursday's Line Scores

AMERICAN LEAGUE

Cleveland	000	200	020	—	4	9	1
New York	000	011	02x	—	4	11	0

Black, Nipper (6), Guante (7), Orosco (8), Jones (8) and Alomar; LaPoint, Robinson (6), Cadaret (8), Plunk (8) and Geren. W—Plunk, 1-0. L—Orosco, 0-1. HR— Cleveland, Snyder (1).

Boston	100	130	101	—	7	15	2
Detroit	244	010	00x	—	11	13	0

Rochford, Gardner (2), Klacker (3), Harris (7) and Pena; Tanana, Lugo (5), Henneman (9) and Heath, Nokes (6). W— Lugo, 1-0. L— Rochford, 0-1. HRs—Boston, Pena (1). Detroit, Whitaker (1).

Texas	100	000	000	—	1	7	0
Toronto	010	010	41x	—	7	13	0

Meyer, Rogers (7), Mlejke (8) and Kreuter; Flanagan, Acker (6), Wells (8), D.Ward (9) and Borders. W—Flanagan, 1-0. L—Meyer, 0-1. HRs—Toronto, McGriff (1), Borders (1), Gruber (1).

Minnesota	010	000	000	—	1	6	3
California	020	000	01x	—	3	6	2

West, Yett (7), Wayne (8) and Harper; McCaskill, Minton (7), Eichhorn (7) and Orton. W—McCaskill, 1-0. L—West, 0-1. Sv—Eichhorn (2).

Baltimore at Kansas City, ppd., rain

NATIONAL LEAGUE

Philadelphia	102	200	000	—	5	7	1
Chicago	100	001	02x	—	4	9	1

Mulholland, Frohwirth (6), Parrett (7), McDowell (8) and Lake; Wilson, Pico (4), Assenmacher (6), Kraemer (8), Lancaster (9) and Girardi, W—Mulholland, 1-0. L—Wilson, 0-1. Sv—McDowell (1). HR— Chicago, Dawson (11).

Game Two

Philadelphia	120	000	000	—	3	7	2
Chicago	120	111	00x	—	6	11	0

Combs, Akerfelds (4), Corman (4), Frohwirth (5), Cook (5), Moore (8) and Daulton; Nunez, Assenmacher (6), Lancaster (7), M.Williams (9) and Wrona, Girardi (6). W—Nunez, 1-0. L—Combs, 0-1. Sv—M.Williams (2). HRs—Chicago, Dascenzo (7), Dw.Smith (1).

Pittsburgh	030	002	100	—	6	7	1
New York	100	001	000	—	2	9	1

Heaton, Bair (6), Ruskin (6), Power (8) and Prince. LaValliere (6); Fernandez, Musselman (7), Machado (9) and Lyons. Sasser (7). W—Heaton, 1-0. L—Fernandez, 0-1. HR— Pittsburgh, Radus (1).

Los Angeles	000	013	003	—	4	12	2
San Diego	011	002	04x	—	8	7	0

R.Martinez, Hartley (6), Searage (6), Wetteland (7), Aase (8) and Dempsey, Scioscia (8); Rasmussen, Grant (6), Clements (6), G.Harris (6), Schiraldi (8), Lefferts (9) and Santiago. W—Schiraldi, 1-0. L—Aase, 0-1. Sv—Lefferts (2). HRs— Los Angeles, Murray (1). San Diego, Lynn (2), Alomar (1).

San Francisco	050	410	201	—	13	14	1
Atlanta	000	103	000	—	4	9	2

LaCoss, McGaffigan (6), Brantley (6) and Kennedy, G.Carter (6); Smoltz, S.Valdez (3), Castillo (5), Henry (7) and Whitt. W—LaCoss, 1-0. L—Smoltz, 0-1. Sv—Brantley (1).

Japan Baseball

Central League

	W	L	T	Pct.	GB
Yomiuri	4	1	0	.800	—
Taiyo	3	1	1	.700	½
Chunichi	2	2	1	.500	1½
Hanshin	2	3	0	.400	2
Hiroshima	2	3	0	.400	2
Yakult	1	4	0	.200	3

Pacific League

	W	L	T	Pct.	GB
Seibu	4	0	0	1.000	—
Orix	2	1	1	.625	1½
Lotte	2	2	0	.500	2
Nippon Ham	2	2	0	.500	2
Kintetsu	1	3	0	.250	3
Daiei	0	3	1	.125	3½

THURSDAY'S RESULTS

Pacific League

Chunichi vs. Hanshin, ppd., rain

SOCCER

WEST GERMAN FIRST DIVISION

Borussia Dortmund 0, Eintracht Frankfurt 0
St. Pauli 0, VfB Stuttgart 0
FC Nuremburg 2, SV Hamburg 0
FC Hombourg 0, FC Cologne 1
Fortuna Dusseldorf 0, SC Karlsruhe 0
Bayern Munich 3, FC Kaiserslautern 0
Bayer Leverkusen 1, Bayer Uerdingen 1
Werder Bremen 1, VfL Bochum 1
B. Moenchengladbach 2, Waldhof Mannheim 0

Standings: Bayern Munich 42; Bayer Leverkusen, FC Cologne 38; Eintracht Frankfurt 36; Borussia Dortmund 32; VfB Stuttgart 31; Werder Bremen, FC St. Pauli 29; FC Nuremberg 28; SV Waldhof Mannhim, Karlsruher SC 26; Bayer Uerdingen, Moenchengladbach, VfL Bochum, FC Kaiserslautern 25; Fortuna Duesseldorf 24; Hamburger SV 23; FC Hombura 18.

ITALIAN FIRST DIVISION

AC Milan 1, Samadoria 0

TRANSACTIONS

BASKETBALL

National Basketball Association

PHOENIX—Activated Jeff Hornacek, guard, from injured list.

FOOTBALL

National Football League

N.Y. GIANTS—Signed Thornton Chandler, tight end.

N.Y. JETS—Said they will not offer contracts to Wesley Walker, Phillip Epps and Michael Harper, wide receivers. Waived Pat Ryan, quarterback.

CRICKET

West Indies vs. England
Test 5, Day 1
Thursday, in St. Johns, Antigua
1st innings: England 203-6.

AP

She's Back

Carling Bassett-Seguso, ranked eighth in 1985 and making a comeback after two years away from professional tennis, beating Linda Ferrando, 6-4, 6-4, to reach the quarterfinals at Amelia Island, Florida, where she faces Steffi Graf.

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POSTCARD

The '90s Executive Dad

By Carol Lawson
New York Times Service

PRINCETON, New Jersey — For the 16 people seated around a horseshoe-shaped mahogany table in their company's conference room here, lunch was sandwiches and park-bench talk. As they ate, they shared worries about a deep concern in their lives: How to pursue a demanding career yet be an involved parent.

Here is what some of them had to say:

"I have so little time with my child. I feel so guilty."

"The stress factor is astronomical. There is so much pressure on my time at work and at home."

"I feel like I'm stretching myself as far as I can. I fear it's going to take a toll on my health."

These were not mothers talking. They were fathers.

"Fathers are beginning to talk about the same issues that working mothers are struggling with," James A. Levine told the group. "Men feel torn between juggling their jobs and a commitment to being a father. They feel pulled in both directions."

Levine, who studies and writes about the behavior of the man he calls "the new father," was leading one of the fatherhood seminars he conducts in the offices of major corporations. This one was at an office of Merrill Lynch, Pierce, Fenner & Smith, and it drew a diverse group from several departments in the company.

□

Levine, a former vice president of the Bank Street College of Education, defined the new father for his audience as a man who "attempts to make child-rearing an important part of his life."

"It does not mean that a man gives up a career or the drive to succeed," said the 43-year-old speaker, who began studying changing patterns of fatherhood in the early 1970s with a Ford Foundation grant. "It means trying to achieve more balance."

As evidence of the emergence of a new father, Levine listed a number of trends: an increase in men who take time off from work following the birth of a child; an increase in men who drop off and pick up children at day-care centers; the growing visibility of men in pediatricians' offices and parenting classes; the installation of diaper-changing tables in men's rooms in airports and train stations; the high visibility in advertisements of fathers with babies, and an increase in the number of men who attend the birth of their children.

"Thirty years ago it was virtually unheard of for men to attend childbirth," Levine said. "Twenty years ago, less than 10 percent of men did. Today, the number is over 90 percent."

He also mentioned the small but growing examples of men who turn down employers' requests to relocate because they do not want to uproot their families, or who switch to less demanding jobs so they can spend more time with their children.

□

Still, Levine was careful to say he did not want to overstate his case.

"There is a tendency today to hype fatherhood, to say that everything has changed dramatically," said the speaker, who has interviewed hundreds of men nationwide. "We are seeing an evolution, not a revolution. It is a mistake to overdramatize the new fatherhood, but it is also a mistake to say that men are acting the way they always have."

He recalled that when he began writing his 1976 book, "Who Will Raise the Children: New Options for Fathers (and Mothers)" (J.B. Lippincott), no state allowed joint custody of children in divorce cases. "Now over half the states have legislation allowing it," he said.

Paternity leave did not have much support at that time, either, Levine said. At a 1974 hearing in California, a public official called it "completely ridiculous" for a father to take time off from work to care for a new baby, he said.

In 1981 Levine began the Fatherhood Project, which conducts research and acts as a national clearinghouse on issues related to fatherhood. He also runs James Levine Communications Inc., a consulting and literary agency that specializes in developing projects related to childhood education and family life.

"We are slowly bringing fathers into focus as part of the family picture," Levine said. "It is almost like we have discovered there are fathers out there. The question for the '90s is, how do we allow them to be full participants in family life?"

Stalin's Muffled Last Hurrah

By Francis X. Clines
New York Times Service

GORI, U.S.S.R. — Sergo Tshandobavi cracked open the door into the dead museum, eerie as a pillaged tomb, and pointed toward a bit of glint in the darkness over in the corner, the barely enduring smile of Stalin.

"There is Stalin," said Tshandobavi, the museum's custodian, who has had a kind of ghost keeper's job for the year since the museum was quietly shut by central Soviet authorities intent on closing off the place as an embarrassing cynosure for misguided patriotism.

"Upstairs all the doors are sealed and the exhibitions stored away," said the custodian, moving across the empty room to stand like a loyal guard dog before the portrait.

In the dimness, this Stalin smile was more in his eyes, strangely merry in retrospect now that Soviet history has conceded his Caligula-like ministrations to the people.

He sits depicted working hard at his desk for the people, offering an idealized hand gesture and paternal outlook no longer permitted to fall on a passing parade of communism's subjects.

"People come and want to find out about Stalin, but the place is closed," Tshaudobavi said. "Some people say good things about him, others say bad. But when a man dies you should not speak bad of him. Say the bad things when he is alive."

The custodian seemed indifferent to the fact that his advice was a formula for any critic's self-destruction when Stalin lived.

But there is such contradiction all about this farm town, a sleepy place with imperial trappings in central Georgia, 40 miles (65 kilometers) northwest of Tbilisi. The custodian spends his days roaming the grounds checking locks, feeling the Georgian sun strengthen with the spring, peeking through the windows of Stalin's birthplace home adjacent to the museum.

This is a small brick dwelling with a humble porch, Lincolnesque except for a temple-like marble roof built over it and sitting as a kind of altar that opens onto a landscaped esplanade that was created by knocking down a neighborhood swath of old houses inhabited by Stalin's neighbors.

"Of course they will open the museum again," said Tshaudobavi's friend Yura, a bald, pinch-faced army veteran sitting in the sun, war medals pinned to his chest along with a photo of Stalin.

In the town square beyond the esplanade stands what day by day is becoming Stalin's last laugh on communism's slipping grip on the Soviet nation. It is a giant statue of Stalin himself, perhaps the one remaining communist idol in all of Georgia not threatened lately with molestation by militant anti-communist crowds.

The republic is rife with sovereignty-minded partisans nightly yanking down statues of Lenin, the communist patriarch who preceded Stalin into death, if not ignominy.

"Fidel Castro loved Stalin, and he wants the museum opened again, too," Tshandobavi said, moving slowly down toward the Stalin statue, standing atop a black granite pedestal.

From below, this Stalin blots the Georgian sky, black against blue. It is a resilient silhouette, as if Stalin always knew the loyalty of the townsfolk runs thicker than revisionism in this place, and this last Stalin can be safe for now.

Tshaudobavi stood at attention and saluted upward.

"There's Stalin," he said. "There was a time when we all stood like this before him."

Above, Stalin remained dark and mute, reigning as if there had been no end to the strange mix of homage and terror he demanded of his people.

The custodian left the statue to walk back up through the quiet midday heat of the town to his idle station. He is a 60-year-old army veteran with 17 years on the job at the museum and five more until retirement out by the collective farm.

A few families were standing about, having made the journey to the fading shrine only to squint at the locked museum. They went over and peeked into the museum's windows. But the portrait of Stalin was out of sight, staring into darkness.

The New York Times

One of few remaining statues of Stalin dominates Gori square.

PEOPLE

Pavarotti at the Bolshoi

Luciano Pavarotti will perform for the first time at Moscow's Bolshoi Theater next month. The Italian tenor announced Friday that on May 3 he will give the first in a series of benefit concerts, entitled "Overture for a New Europe," in the Soviet Union. The concerts, organized by Italy's Emilia-Romagna region, will help pay for the construction of a $30 million hospital in Spitak, Soviet Armenia, a town devastated by earthquakes two years ago. President **Mikhail Gorbachev** and his wife, **Raisa**, are expected to attend the May 3 concert at the Bolshoi, organizers said. Pavarotti will also perform May 4 and May 6 at other Moscow theaters and May 8 in Leningrad. Pavarotti will be accompanied by the Arturo Toscanini Orchestra of Parma, the pianist **Leone Magiera** and the flutists **Giorgio Zagnoni** and **Andrea Griminelli**.

□

A group of Soviet organizations plans to air a 24-hour television program to publicize the "sad events" of the Chernobyl nuclear accident on its fourth anniversary, April 26. Headed by **Anatoli Karpov**, the former world chess champion, the group said "Telethon Chernobyl" will be broadcast from the Rossiya concert hall in Moscow on channel 2 of Soviet television. The program will reconstruct what happened when the nuclear plant's fourth reactor exploded in 1986, releasing radioactive clouds that spread to vast areas in the Soviet Union and Europe.

□

The U.S. pop star **Madonna** kicked off her 1990 world tour Friday in Japan, appearing before a crowd of 35,000 fans near Tokyo.

□

A Spanish poet won the Golden Wreath award at the World Poetry Festival in Struga, in the Yugoslav republic of Macedonia. **Justo Jorge Padron**, a poet for 20 years, has written nine collections, of which the two best known are "Circles of Hell" and "In Sunny Waters." "Circles of Hell" is regarded as one of the most important works of Spanish poetry in recent years. Padron was heralded at the festival as "a representative of the glorious Spanish poetic tradition of the 20th century."

□

Doctors have removed a part of a rib **Billy Graham** injured in a fall, and the evangelist is in stable condition. Graham, 71, went to the Mayo Clinic in Rochester, Minnesota, this week for treatment of severe pain in his left rib cage and upper back after a fall three weeks ago, the clinic said.

□

Kurt Masur, named this week to be music director of the New York Philharmonic from 1992, said Friday he would keep his orchestral post with Leipzig's Gewandhaus Orchestra even after he starts the new job. Masur, in Paris to conduct a performance of Bach's "St. Matthew Passion," said: "It just isn't true that I'm leaving Leipzig. Lots of conductors work with two, even three orchestras at a time. In fact, I'll be conducting fewer performances in New York than in Leipzig. I have an indefinite contract with the Gewandhaus Orchestra. I grew up there. I was taught by Gewandhaus musicians, and I would be foolish to leave an orchestra that we have built up as a wonderful family."

□

Warned to stand by his phone for a call from his publisher "to discuss your future," **David Turnley**, a Paris-based photographer for the Detroit Free Press, was understandably apprehensive. But when the call came through to his hotel room in Johannesburg, Turnley found he was on a conference call to the Free Press newsroom — where everyone was drinking champagne. That was how he learned he had won the Pulitzer Prize for feature photography for, among other things, his coverage of China. Turnley, 34, recently published a book of photographs chronicling the student movement in China with his twin brother, Peter, a photographer for Newsweek.

□

Yulia Sukhanova is capitalizing on her victory in the first Miss U.S.S.R. pageant by making a yogurt commercial for U.S. television. "She did the commercial because she wanted to dispel American attitudes that Russian women aren't beautiful," said **Tricia Erickson**, owner of the Erickson Agency, a Virginia-based modeling agency handling Sukhanova's career. The ad is being aired in Los Angeles, Washington and several other cities.

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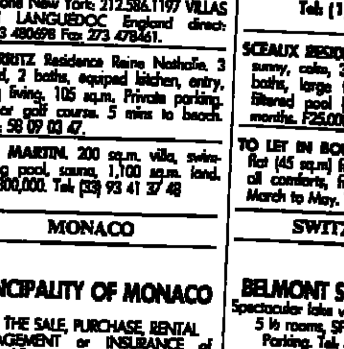

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NATIVE SPEAKERS, TEFL experience or training, to teach English in the Paris area. Plaisir Formation. Paris SW suburb (1) 34 81 14 14

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